



LOWER MURRAY
WATER

Corporate Plan

2025 - 2026



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ACKNOWLEDGEMENT OF COUNTRY

Lower Murray Water acknowledges the Traditional Owners of the land on which we work and reside. We recognise their continuing connection to land, waterways, and community.

We pay our respects to Elders past, present and future. The Traditional Owner groups within Lower Murray Water's service region lie within the traditional lands of First Nations Peoples, from upstream at Koondrook moving downstream along the Murray River (Mil) through to the western edge of our region at the South Australian border.

They are the Barapa Barapa Peoples, Wemba Wemba Peoples, Wadi Wadi Peoples, Tatti Tatti Peoples, Latji Latji Peoples, Nyeri Nyeri Peoples, Ngintait Peoples and the Wergaia Peoples.

The First Nation Peoples' connection to land and water is the living cultural knowledge that is passed down from generation to generation. The stories that connected the ancestors to their culture still live through the First Nations Peoples of today.'

Acknowledgement of Country written by Stephanie Sloane*.

** Stephanie works at LMW as a Diversity and Inclusion Officer. She is a proud Ngayampa woman and has a strong connection to her culture, history and the land. Stephanie has brought not only her experience and passion for people to this role but also a commitment to inspire and mentor others wishing to pursue a career at LMW.*



Image 1: *Kerang ways* by Tobie Cameron

1. CHAIR AND MANAGING DIRECTOR'S INTRODUCTION

On behalf of the Lower Murray Water (LMW) Board, we are pleased to deliver the LMW 2025-26 Corporate Plan.

As an essential services provider, our purpose is to support our region to prosper by successfully delivering vital water services.

Our Corporate Plan is reflective of the strategic priorities and foundations, key initiatives and financial forecasts which demonstrate our commitment to achieving this purpose and addressing key priority areas identified in the Victorian Minister for Water's Letter of Expectations (LoE).

The next phase of the Victorian Murray Floodplain Restoration Project (VMFRP) has been agreed upon by the Commonwealth Government. We have now re-established the project team which will deliver the next element of planning works required for the project to move forward. We anticipate the statutory planning work will be completed in the coming year.

Throughout the year, we will be undertaking a review of the rural business to ensure that in the next water plan we have a strategy to provide required services to irrigation customers in a changing environment. This could mean the reconfiguration of assets and better understanding the crops of the future and their irrigation requirements. The key aim of this review is to ensure a prosperous economic future for our rural customer base.

Undertaking planning and capital works associated with the improvement of our water and wastewater treatment will be a priority. We have encountered many challenges over the past decade associated with water and wastewater quality brought on by climate change, and we consider it a major priority to invest in assets which will prevent or mitigate these concerns in the future.

A significant project to be undertaken and commissioned this year will be the Red Cliffs Urban Water Pressure Project. This will provide a better service to the growing Red Cliffs area which has been highlighted to us as a significant requirement by the community.

The attraction and retention of new staff will remain a priority throughout the coming plan. We will be undertaking a new enterprise agreement with staff which we anticipate will come into effect throughout the year.

Our rural Strategic Advisory Committee (SAC) will remain as our key customer group providing representation from across our rural customer base. We value the feedback and advice received from all our customers and this committee is key in maintaining a high level of service to our community.

With increased effects of climate change driving many of our challenges, we remain committed to reducing our Co2 emissions, working closely with the Department of Energy, Environment and Climate Action (DEECA) and other Victorian water corporations to meet the State's 2035 reduction pledge.

This year will be the third year of our Water Plan 5 (WP5) and pricing has been set for the 25-26 year in accordance with the final pricing determination undertaken by the Essential Services Commission (ESC) in 2023. We aim to provide low prices to customers and to absorb increased costs in the areas of power, chemicals, borrowing and our efficiency contribution to government.

Pre-planning for Water Plan 6 has already commenced. This will feature advice on the Mildura Wastewater Strategy, Swan Hill Water Treatment Strategy, Zero Emissions Strategy and any outcomes from the rural strategy for our irrigation customers. The next water plan will need to focus on electricity pricing and the pressure any increase may place on our business.

The current Bureau of Meteorology forecast anticipates an average year of temperature and rainfall which will mean we should be delivering an 'average' amount of water to our urban and rural customers. Usage in the 24-25 season was strong which allowed us to meet consumption and revenue targets set in the WP5.

We note that issues including the Commonwealth Government's buyback of water entitlements may have consequences on rural demand, as some customers may choose to sell their entitlements and seek to retire their properties. We will continue to review our rural demand forecasting as the customer base in the Sunraysia region evolves.

Our Technology Uplift Program is in full swing which will enable new ways of working through a raft of initiatives that will support the future direction of the organisation. This year will see the adoption of a new customer portal which will enable customers to receive bills, update their address and see usage volumes in an online environment.

Providing support to our customer base with hardship assistance is a priority to us. With cost-of-living pressures impacting our users, finding measures that can provide ongoing assistance in managing bills is an important function.

We continue to engage with our regional community about the maintenance of legacy buildings and structures, and sites of historical significance for which we have management responsibility. We maintain a number of crown land and buildings on behalf of the state which needs to be considered in revenue requirements for future water plans.

The implementation of the action plan associated with our Reconciliation Action Plan (RAP) is a major priority for the organisation, which sets out how we will continue to develop our relationships and connections with First Nations peoples and organisations in a meaningful way. We aim to progress our RAP from its 'Reflect' stage through to the 'Innovate' stage this year which will be a significant milestone.

We welcomed to the Board in 24/25 an Independent Aboriginal Delegate, Marcus Horwood. This role continues in the 25/26 year and we value the contribution this role makes to the organisation.



SHARYON PEART
CHAIR



PAUL NORTHEY
MANAGING DIRECTOR

2. ABOUT US

Lower Murray Urban and Rural Water Corporation is a statutory water authority created under the provisions of the *Water Act 1989* (Vic). It assumed the whole of the property, rights, liabilities, obligations, powers and functions of the Lower Murray Region Water Authority and Sunraysia Rural Water Authority.

The *Water (Governance) Act 2006* (Vic) varied the form and title of Lower Murray Water (LMW) and established new governance arrangements effective from 1 July 2007. By statute under the *Water Act 1989* (Vic), Lower Murray Urban and Rural Water Authority became Lower Murray Urban and Rural Water Corporation.

On 19 August 2008 the then Minister for Water, The Hon. Tim Holding MP, issued a determination for LMW to take over the whole of the functions, powers, and duties of the First Mildura Irrigation Trust (FMIT).

During the period 1 July 2022 to 29 December 2024 our relevant Minister was the Hon. Harriet Shing MP, Minister for Water. From 30 December 2024 our relevant Minister is the Hon. Gayle Tierney, Minister for Water.



Image 2: The Murray River, Red Cliffs

2.1 OUR REGULATORS AND STAKEHOLDERS

We are regulated by the following Victorian Government and industry regulators:

Regulator	Responsibility
Victorian Minister for Water and the Department of Energy, Environment and Climate Action (DEECA)	Monitors our business performance.
Victorian Treasurer and Department of Treasury and Finance (DTF)	Monitors our financial performance.
Department of Health (DH)	Ensures the protection of public health by supplying safe drinking water in compliance with legislative requirements and regulatory standards.
Environment Protection Authority (EPA)	Monitors our compliance with the requirements of the <i>Environmental Protection Act 2017</i> (Vic) and associated regulations, and the Operating License's for LMW assets.
Essential Services Commission (ESC)	Approves the prices that we charge our customers and monitors our service standards.
Energy and Water Ombudsman Victoria (EWOV)	Resolves any customer complaints about us.
Australian Competition and Consumer Commission (ACCC)	Monitors us regarding rural services within the Murray Darling Basin, and participation with Debt Collection Guidelines.
Department of Families, Fairness and Housing (DFFH)	Facilitates customer support for those in need through concession discounts, water and sewer rebates, and utility relief grants, and the making of services more affordable for Victorian customers.

Table 1: Regulators

We collaborate with many stakeholders to achieve the best outcomes for customers and communities. This includes:

Traditional Owners	Local Government	Industry Representatives	Other
First People of the Millewa Mallee	Mildura Rural City Council	Water Service Association of Australia	Mallee Catchment Management Authority (CMA)
Wergaia Peoples (Lake Cullulleraine area)	Swan Hill Rural City Council	Institute of Water Administration	Sunraysia Institute of TAFE (SuniTAFE)
Nyeri Nyeri and Ngintait Peoples (Mildura area)	Gannawarra Shire Council	VicWater	Community and Local Heritage groups
Tatti Tatti and Latji Latji Peoples (Robinvale area)		Intelligent Water Network	Landcare groups
Wadi Wadi Peoples and Wamba Wemba Peoples (Swan Hill area)		Australian Water Association	Parks Victoria
Barapa Barapa Peoples and Wamba Wemba Peoples (Kerang area)			

Table 2: Stakeholders

2.2 OUR GOVERNANCE

The LMW Board comprises nine directors, eight of which are non-executive directors appointed by the Minister for Water and the ninth is LMW's Managing Director, appointed by the Board. In November 2024 we appointed our first Independent Aboriginal Delegate to the Board, Marcus Horwood, a proud Bangerang man born on the Kulin Nation.

The Board is appointed to ensure the strategic planning and direction of the Corporation complies with government objectives for the provision of reliable and secure water for urban, irrigation and domestic and stock purposes, wastewater, and drainage services. The Board is required to meet expectations for the region to deliver Water for Victoria.

Our directors come from diverse backgrounds and bring a complementary mix of skills and expertise which ensure the Board focuses on LMW achieving optimal strategic, environmental, operational, and financial corporate governance.

The LMW Board is committed to the uplift of our organisation's governance practices and adheres to its role and responsibilities within its Board Charter.

Our current Board comprises:

- Sharyon Peart, Chair
- Warren Lloyd, Deputy Chair
- Kate Hughes
- Domenic Isola
- Michelle Oates
- Dr Anne-Maree Boland
- Paul Thompson
- Adam Christou
- Paul Northey, Managing Director
- Marcus Horwood, Independent Aboriginal Delegate

The LMW Board has established three committees to support the delivery of its responsibilities, and to provide an opportunity for directors to consider issues in more detail. Terms of Reference have been developed for each committee with a director nominated annually as Chair. All committees are formed in accordance with section 122C of the *Water Act 1989* (Vic) that provides for committees to be established by a water corporation.

We are led by the Executive Leadership Team that supports and advises the Board. The current team comprises:

- Paul Northey, Managing Director
- Hannah Yu, General Manager Business Services
- Deb Fankhauser, General Manager People and Customers
- Stuart Mensch, General Manager Infrastructure Services
- Darren Raeck, General Manager Service Delivery and Operations
- Nardia Sheriff, General Manager Strategy and Partnerships

2.3 OUR OBLIGATIONS

As a statutory water corporation, with our functions and powers defined in the *Water Act 1989* (Vic) we have specific requirements stated in our Statement of Obligations, and our Letter of Expectations.

We operate under the following legalisation, regulation and standards:

Legislation		Regulation	Standard
<i>Copyright Act 1968</i> (Cth)	<i>Financial Management Act 1994</i> (Vic)	Australian Drinking Water Guidelines	Environment Reference Standard
<i>Environment Protection and Biodiversity Conservation 1999</i> (Cth)	<i>Flora and Fauna Guarantee Act 1988</i> (Vic)	Ministerial Directions for Public Construction	ESC Water Industry Standards, codes and guidelines
<i>Fair Work Act 2009</i> (Cth)	<i>Freedom of Information Act 1982</i> (Vic)	National Construction Code of Australia	Victorian Government Purchasing Board Policies
<i>Income Tax Assessment Act 1997</i> (Cth)	<i>Gender Equality Act 2020</i> (Vic)	Standing Directions 2018	Victorian Government Sponsorship Policy
<i>Modern Slavery Act 2018</i> (Cth)	<i>Health (Fluoridation) Act 1973</i> (Vic)		Victorian Protective Data Security Framework and Standards
<i>Payment Times Reporting Act 2020</i> (Cth)	<i>Local Jobs First Act 2003</i> (Vic)		Water for Victoria Water Plan
<i>Security of Critical Infrastructure Act 2018</i> (Cth)	<i>Occupational Health and Safety Act 2004</i> (Vic)		WSAA Water Industry Standards
<i>Aboriginal Heritage Act 2006</i> (Vic)	<i>Planning and Environment Act 1987</i> (Vic)		
<i>Audit Act 1994</i> (Vic)	<i>Privacy and Data Protection Act 2014</i> (Vic)		
<i>Building Act 1993</i> (Vic)	<i>Project Development and Construction Management Act 1994</i> (Vic)		
<i>Borrowing and Investment Powers Act 1987</i> (Vic)	<i>Public Administration Act 2004</i> (Vic)		
<i>Catchment and Land Protection Act 1994</i> (Vic)	<i>Public Interest Disclosures Act 2012</i> (Vic)		
<i>Charter of Human Rights and Responsibilities Act 2006</i> (Vic)	<i>Public Records Act 1973</i> (Vic)		
<i>Climate Change Act 2017</i> (Vic)	<i>Residential Tenancies Act 1997</i> (Vic)		
<i>Constitution Act 1975</i> (Vic)	<i>Safe Drinking Water Act 2003</i> (Vic)		
<i>Emergency Management Act 2013</i> (Vic)	<i>Water Act 1989</i> (Vic)		
<i>Environmental Effects Act 1978</i> (Vic)	<i>Water Industry Act 1994</i> (Vic)		
<i>Environment Protection Act 2017</i> (Vic)			
<i>Emergency Management Act 2013</i> (Vic)			

Table 3: Obligations

2.4 OUR POLICIES, STRATEGIES AND PLANS

To enable LMW to meet our obligations, we have policies, licences, agreements, strategies, procedures and guidelines in place. This includes the following which are linked to our Letter of Expectations areas:

Letter of Expectations	Policies and Strategies	Other Key Documentation
LOE 01: Climate Change	<ul style="list-style-type: none"> Drinking Water Quality Policy Environmental Policy Procedure for Allocation or Water Share Trading by Lower Murray Water Trading in Water Share and Seasonal Allocation Policy 	<ul style="list-style-type: none"> Drinking Water Storages and Land Management Plan Emergency Management Framework Statement of Obligations (Emissions Reduction) Water Quality Monitoring
LOE 02: Customer, Community and Engagement	<ul style="list-style-type: none"> Communications and Engagement Framework Customer Support Policy Customer Family Violence Policy Communications and Engagement Strategy Procurement Policy Sponsorship and Donations Policy 	<ul style="list-style-type: none"> Community Engagement Program Customer Complaints Procedure Customer (Urban and Rural) Charters Family Violence Guidelines for Managers/Staff Communications and Engagement Toolkit Stakeholder and Customer Research Utility Relief Grant Scheme – Standard Operating Procedure
LOE 03: Recognise Aboriginal Values	<ul style="list-style-type: none"> Reconciliation Action Plan Native Title Policy 	<ul style="list-style-type: none"> Aboriginal Cultural Heritage Procedure
LOE04: Recognise Recreational Values	<ul style="list-style-type: none"> Communications and Engagement Framework Communications and Engagement Strategy 	<ul style="list-style-type: none"> Community Engagement Program
LOE 05: Resilient and Liveable Cities and Towns	<ul style="list-style-type: none"> Asset Management Framework Asset Management Policy Urban Water Strategy 2022 	<ul style="list-style-type: none"> Asset Management Accountability Framework Asset Management Improvement Plan Asset Renewal Programs Asset Management Communication Plan Strategic Asset Management Plan
LOE 06: Leadership, Diversity and Culture	<ul style="list-style-type: none"> Diversity, Equity and Inclusion Policy Health Safety and Wellbeing Strategy Internal Family Violence Policy Leadership and Talent Management Framework Occupational Health and Safety Policy 	<ul style="list-style-type: none"> Cultural Diversity Values Gender Equality Framework and Action Plan Leadership and Talent Management – PDP documentation Occupational Health and Safety Manual People Strategy 2023 Staff Recognition Program Procedure
LOE 07: Performance and Financial Management	<ul style="list-style-type: none"> Budgeting Policy Financial Management Policy Fraud Corruption and Other Losses Control Policy Gifts, Benefits and Hospitality Policy Privacy and Data Protection Policy Procurement Policy Procurement Framework Risk Management Policy Social Procurement Strategy Social Procurement Framework Treasury Management Policy 	<ul style="list-style-type: none"> Annual Report Corporate Plan Fraud and Corruption Control Framework Governance Operating Model Internal and External Audit Price Submission 2023-2028 Risk Management Framework Risk Management Procedure Risk Appetite Statement
LOE 08: Compliance and Enforcement	<ul style="list-style-type: none"> Compliance and Enforcement Policy Compliance and Enforcement Strategy Unauthorised Take (Rural Overuse) Policy 	<ul style="list-style-type: none"> Bulk Entitlement (Water) Licences Drought Preparedness Plans Compliance and Enforcement Procedure Take and Use Water Licences

Table 4: Policies, strategies and plans

2.5 OUR REGION

LMW operates in a remote and arid area of Victoria, Australia extending along the Murray River from Kerang to the South Australian border. Our region makes up a large part of Victoria's food supply and agricultural industry, with our key industries of irrigated horticulture and dryland farming relying on the delivery of a clean and reliable supply of water. Other industries include food and beverage manufacturing, transport and logistics, retail, health, and community services as well as tourism which relies heavily on the Murray River landscapes.

We provide this extensive region with urban water and sewerage treatment, supply, and disposal; river quality water for stock and irrigation; and collection and disposal of subsurface irrigation drainage. We operate the collection, treatment, storage, and delivery of water to approximately 35,000 households along the Murray River, from Koondrook to Merbein, servicing 14 townships including Mildura and Robinvale, Swan Hill and Kerang. We provide wastewater collection, treatment and effluent re-use and disposal services to more than 76,000 customers.

We also provide 2,666 irrigation and 2,240 stock and domestic customers with river quality water in the pumped irrigation districts of Mildura, Merbein, Red Cliffs and Robinvale, as well as the Millewa waterworks district and some areas of the waterworks district of Yelta. Our region is serviced by nine water treatment plants and ten wastewater treatment facilities. In early 2024, we extended our services to the residents of Ultima (which sits outside of our region) through a pipeline from our Swan Hill Water Treatment Plant to provide fully treated drinking water to this community.

We currently employ approximately 230 staff, based at various locations, including our head office in Mildura and offices in Swan Hill and Kerang.



Image 3: LMW Service Region

2.6 OUR SERVICES



3. OUR STRATEGY



We are committed to ensuring the **long-term sustainability and prosperity** of our region by delivering vital water services.

Our **vision** is to create a **healthy, sustainable water future**, underpinned by a culture of **performance excellence** and built in partnership with our staff, customers, and communities.



Our **focus** in 2025-26 will be **developing** and embedding a more responsive and integrated **strategic framework** through listening to our **customers, staff and Board**.

2025-26 FOCUS



4. OUR PERFORMANCE

LMW has an obligation to report monthly and provide annual data to the ESC against a suite of performance indicators which benchmark us against the 15 non-metro water corporations (metro water corporations are benchmarked separately). An annual Water Performance Report provides the compiled data which identifies opportunities for improvements across the business. Many of the initiatives for the 2026-27 period have been identified by utilising this data.

A summary of our performance in the 2023-24 ESC Urban Water Performance Report is as follows, highlighting our position out of all 18 Victorian Water Corporations.

LMW result (out of 18)	Indicator description
Highest	Average household water use (kilolitres per household)
10 th of 18	Highest typical household bill
9 th of 18	Highest complaints made to water businesses (per 100 customers)
17 th of 18	Average minutes off water supply per customer
7 th of 18	Sewer blockages per 100 kilometre of sewer main
4 th of 18	Recycled water used as a percentage of effluent volume produced

Table 5: Performance indicators

Our services and priorities are outlined in each water plan and include the outcomes we seek to achieve based on feedback from our customers. In WP5, we have committed to delivering a set of proposed outcomes for our urban and rural customers, which are similar but refined to reflect the different nature of services, and the customer base:

Urban Outcomes	Rural Outcomes
Services provide customers value for money	Services provide customers value for money
Provide customers reliable and safe drinking water	Provide customers water when they need it
Provide customers reliable sewerage services	Provide customer service avenues that are responsive to resolve requests and enquiries
Provide customer service avenues that are responsive to resolve requests and enquiries	Service our communities in a socially responsible and environmentally sustainable manner
Service our communities in a socially responsible and environmentally sustainable manner	

Table 6: Outcomes

5. ADDRESSING OUR LETTER OF EXPECTATIONS

The 2025-26 Corporate Plan addresses the expectations set out by the Minister for Water as an entity that delivers government objectives within the context of the *Water Act 1989* (Vic) regarding the following Indicators from DEECA:

Letter of Expectations	Description
LOE 01	Climate Change and Energy
LOE 02	Customer, Community and Engagement
LOE 03	Recognise Aboriginal Values
LOE 04	Recognise Recreational Values
LOE 05	Resilient and Liveable Cities and Towns
LOE 06	Leadership, Diversity and Culture
LOE 07	Performance and Financial Management
LOE 08	Compliance and Enforcement

Table 7: Letter of expectations

We also acknowledge the additional areas of focus:

- Cyber security
- Customer protection, including prevention of harm from family violence

5.1 LOE 1: CLIMATE CHANGE AND ENERGY

Water corporations are required to undertake activities and provide services which reduce exposure to climate risks, reduce greenhouse gas emissions, increase renewable energy use, adapt to climate change, and demonstrate reasonable progress in integrating climate change adaptation into planning and decision making across their business.

Emissions Reduction Total Scope 1 and 2								
Indicator Code	Indicator description	Reporting Period	Measure or Narrative					
			2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
1.1.3.025	Projected total emissions for each year subsequent to the current reporting year until, and including, the Water Corporation's net-zero Scope 1 and Scope 2 target year.	CP Target and subsequent 4 FYs Forecast	21116.80	18155.60	15194.40	12233.20	9272.00	0
1.1.3.027	Qualitative explanation of projects or initiatives to reduce Scope 1 and/or 2 emissions (including emissions reductions achieved per project in t CO2-e where feasible).	CP Target and subsequent 4 FYs Forecast	For the 2025-26 financial year, we are committed to resetting and advancing our initiatives to reduce Scope 1 and 2 emissions. With a renewed focus on strong data governance and investigating new opportunities, we are exploring the expansion of behind-the-meter solar projects and actively participating in the VicWater Carbon Offsets Special Vehicle to secure essential carbon offsets. We have created an Energy and Emissions Officer role to enhance our capacity to more effectively identify and implement strategies that address both direct and indirect emissions generated by LMW. Working with the organisation to ensure all staff understand the obligations and targets that LMW has committed to, we will also be developing more robust forecasting tools including a tool to estimate the energy and emissions impact of capital projects, ensuring that accurate data is fed into future forecasts. These initiatives underscore our approach to ensuring sustainability and good environmental stewardship.					

Table 8: Emissions reduction

Scope 3			
Indicator Code	Indicator description	Reporting Period	Narrative
1.1.4.009	Qualitative explanation of projects or initiatives to better understand, calculate, influence or directly reduce Scope 3 emissions (including emissions reductions achieved per project in tCO ₂ -e where feasible).	CP Target and subsequent 4 FYs Forecast	<p>With an increase in resources through the new Energy and Emissions Officer, we will be in a better position to understand and plan for initiatives aimed at reducing Scope 3 emissions and meeting forthcoming ESC reporting requirements.</p> <p>This proactive approach ensures that we are not only considering and working towards our current sustainability targets but also preparing for future regulatory and reporting demands, reinforcing our commitment to comprehensive environmental stewardship.</p>

Table 9: Scope 3

Increasing Renewable Energy Total Renewable Electricity			
Indicator Code	Indicator description	Reporting Period	Narrative
1.2.2.029	Qualitative explanation of projects or initiatives to increase renewable electricity consumption and/or generation (including renewable generation capacity increased per project where feasible).	CP Target and subsequent 4 FYs Forecast	A project to undertake an in-depth data analysis regarding our current renewable electricity generation commenced in 2024-25 with the view to enable an opportunity assessment for future renewable electricity initiatives in the 2025-26 year.

Table 10: Total renewable energy

Adapting to Climate Change Adaptation			
Indicator Code	Indicator description	Reporting Period	Narrative
1.3.1.002 (1.3.1.001 for 24/25 Indicators)	Description of the current and anticipated impacts of climate-related risks on the organisation's business, strategy, and service delivery where such information is material.	CP Target and subsequent 4 FYs Forecast	<p>In 2025-26, we will focus on finalising our carbon emission and climate adaptation strategies, as well as reviewing key enterprise risk and emergency management governance documentation to ensure that climate-related risks are incorporated into strategic planning and decision-making frameworks.</p> <p>Strengthened governance will enhance our ability to respond to and recover from increasingly frequent emergency incidents and will be tested through comprehensive scenario planning and an emergency exercise program that addresses new and emerging impacts from an adapting climate.</p> <p>The team will continue to engage and contribute to DEECA decarbonisation and adaptation initiatives including the Water Emissions Transition Plan to build our understanding of climate risks and enhance our strategic and operational responses, ensuring the resilience and continuity of our service delivery.</p>
1.3.1.003 (1.3.1.001 for 24/25 Indicators)	Description of the metrics used by the organisation to monitor relevant climate-related risks and opportunities.	CP Target and subsequent 4 FYs Forecast	<p>We currently monitor key climate-related metrics, including emissions, energy usage, and water consumption which are reported to various entities annually. To enhance our capability in managing climate risks and opportunities, we are strengthening our data governance and developing more sophisticated forecasting tools in the coming 2025-26 period.</p> <p>We will be implementing a new strategic planning and monitoring framework which will integrate climate-related insights to inform better decision-making. These initiatives will improve our ability to anticipate and respond to climate challenges, positioning us for a more sustainable and resilient future.</p>

Table 11: Adapting to climate change

5.2 LOE 2: CUSTOMER, COMMUNITY AND ENGAGEMENT

All aspects of service delivery will be customer and community-centred and we will continue to build extensive and effective community engagement and partnerships in planning and implementation of service delivery.

Please note:

- for Billing Indicators please refer to Section 6. Our Financial Performance
- for Urban and Rural Tariff information please refer to Appendix D

Customer Satisfaction							
Indicator Code	Indicator description	Reporting Period	Measure or Narrative				
			2025-26	2026-27	2027-28	2028-29	2029-30
2.1.1.001	Provide annual target for customer ratings of 'Overall Satisfaction' against customer perception/reputation surveys that will be undertaken over the planning period.	CP Target and subsequent 4 FYs Forecast	Urban – 89 Rural – 82	Urban – 89 Rural – 82	Urban – 90 Rural – 83	Urban – 90 Rural – 83	Urban – 91 Rural – 84
2.1.1.002	Narrative describing how water corporation's target for customers' rating of 'Overall Satisfaction' will be met over the planning period.	CP Target and subsequent 4 FYs Forecast	<p>We are committed to continuously improving customer satisfaction across both our Urban and Rural customer base. To achieve this, we conduct annual customer satisfaction surveys to evaluate performance across key aspects of our business.</p> <p>We gather valuable insights through engagement activities, customer advisory committees and our complaints process. These inputs enable us to identify specific areas for improvement and develop targeted initiatives that address customer needs and expectations.</p> <p>By prioritising these efforts, we aim to deliver better outcomes and foster stronger relationships with our customers, ultimately driving higher satisfaction levels across our communities.</p>				

Table 12: Customer satisfaction

Customer and Community Engagement			
Customer Responsiveness			
Indicator Code	Indicator description	Reporting Period	Measure
			2025-26
2.4.1.001	Customer responsiveness – water quality complaints (per 100 customers).	CP Target	0.19
2.4.1.006	Customer responsiveness – number of payment issue complaints (per 100 customers).	CP Target	0.023
2.4.1.011	Customer responsiveness – total complaints (per 100 customers).	CP Target	0.396

Table 13: Customer responsiveness

Customer and Community Engagement			
Indicator Code	Indicator description	Reporting Period	Narrative
2.4.2.001	Development and delivery of a Customer Engagement Strategy/Plan/Policy that is also published on the corporation's website (Yes/No).	CP Target and subsequent 4 FYs Forecast	<p>Yes.</p> <p>We have a Communications and Engagement Strategy published on our website since approval in 2022.</p>
2.4.2.002	If the Customer Engagement Strategy/Plan/Policy is under development and yet to be published, what is the corporation's timing to complete it and to publish on its website?	CP Target and subsequent 4 FYs Forecast	<p>Not applicable.</p> <p>LMW's Communications and Engagement Strategy is published.</p>
2.4.2.003	How will the water corporation measure success against outcomes of its Customer Engagement Strategy/Plan/Policy?	CP Target and subsequent 4 FYs Forecast	<p>A review of our Communications and Engagement Framework and Strategy commenced in 2024-25 to incorporate the formalised change management function.</p> <p>We will be developing a new strategic planning and monitoring framework which seeks to support the organisation in measuring success against our strategies and plans in a more integrated and consistent manner. This will enable the outcomes of our Communications and Engagement Strategy to be measured and monitored effectively moving forward.</p>

Table 14: Customer and community engagement

5.3 LOE 3: RECOGNISE ABORIGINAL VALUES

Promote self-determination of Traditional Owners, including by supporting the Treaty process as required. Support the implementation of Water is Life: Traditional Owner Access to Water Roadmap by enabling increased access to water entitlements under current frameworks and increased cultural benefits from the way we store, deliver, and use water.

Partnership with Traditional Owners							
Indicator Code	Indicator description	Reporting Period	Measure or Narrative				
			2025-26	2026-27	2027-28	2028-29	2029-30
3.1.1.001	Provide the number of formal partnership agreements with Traditional Owners/ Traditional Owner Groups.	CP Target and subsequent 4 FYs Forecast	0	0	1	1	1
3.1.1.002	Describe the nature of the formal partnership agreements entered into with Traditional Owner Groups.	CP Target and subsequent 4 FYs Forecast	We currently have no formal partnership agreements with Traditional Owners.				
3.1.1.003	Demonstrate that Traditional Owners had the opportunity to review and/or endorse, all sections of the most recent annual report that included specific reference to Traditional Ecological Knowledge, values and well-being.	CP Target and subsequent 4 FYs Forecast	<p>Whilst there has been no formalised process to enable Traditional Owners to review our Annual Report, we continue to build our networks and relationships with Traditional Owners in our local region.</p> <p>Through delivery of the actions in our Reflect Reconciliation Action Plan (RAP), our focus is to understand and create opportunities and value to engage Traditional Owners to review such publications.</p> <p>In addition to our Reflect RAP, we have since welcomed an Independent Aboriginal Delegate to our Board which will enable us to commence a more formalised process for publication review to occur in the future.</p>				
3.1.1.004	Demonstrate how water corporations have informed relevant Traditional Owners of opportunities to access water entitlements or allocation within their Country.	CP Target and subsequent 4 FYs Forecast	<p>Due to the changing nature of Traditional Owner groups, Registered Aboriginal Parties and organisation's in our region, we are yet to identify opportunities to facilitate discussions regarding Traditional Owner access to water entitlements or allocation within their Country.</p> <p>We will continue to investigate this with a view to understanding future opportunities and in the immediate term, our priority is to strengthen our relationship with Traditional Owners across the region.</p>				

Table 15: Partnership with Traditional Owners

Supporting Aboriginal self-determination							
Indicator Code	Indicator description	Reporting Period	Measure or Narrative				
			2025-26	2026-27	2027-28	2028-29	2029-30
3.2.1.001	Provide the number of formal partnership agreements with Aboriginal Community Controlled Organisations.	CP Target and subsequent 4 FYs Forecast	0	0	1	1	1
3.2.1.002	Describe the nature of the partnership agreements with Aboriginal Community Controlled Organisations.	CP Target and subsequent 4 FYs Forecast	We currently have no formal partnership agreements with Traditional Owners.				
3.2.1.003	Provide commentary on strategies implemented to provide procurement opportunities to Aboriginal businesses to supply goods and services to water corporations, including addressing any procurement barriers.	CP Target and subsequent 4 FYs Forecast	<p>Our Social Procurement Strategy 2021-2023 is currently under review.</p> <p>The current strategy states a priority to create procurement opportunities for Victorian Aboriginal people. This strategy aims to provide opportunities for Aboriginal-owned organisations to participate in our request for quote process.</p> <p>In addition to this strategy, our Reflect RAP supports this focus through the procurement of original artwork created by Aboriginal and Torres Strait Islander artists.</p> <p>In the 2025-26 year, we will be working with local consultant Greater Good Projects on a community art project with Traditional Owners and First Nations peoples in our local region to create original art pieces for our Mildura office as an initiative to strengthen relationships with our community.</p>				

Table 16: Supporting Aboriginal self-determination

5.4 LOE 4: RECOGNISE RECREATIONAL VALUES

Support the wellbeing of communities by considering recreational values in water management.

Consideration of recreational values in business operations Recreational Values			
Indicator Code	Indicator description	Reporting Period	Measure or Narrative
4.1.1.001	Provide the number of site-based projects planned/delivered to improve recreational enjoyment of water storages.	CP Target	<p>We contribute to recreational values across our region in several ways, most notably as the lead agency of the Sunraysia Regional Algae Coordinating Committee. Our involvement includes the coordination of the local action committee, frequent sampling of local waterways, laboratory assessments of Blue Green Algae (BGA) samples, updating the BGA webpage and issuing warnings when BGA levels are harmful to health.</p> <p>To support the recreational use of Lake Cullulleraine and surrounding waterways, we will continue our monitoring, sampling and reporting of BGA and issuing of the timely communication through our website, social media and media releases.</p>
4.1.1.002	Provide a brief description on how site-based projects will improve/have improved recreational enjoyment of water storages.	CP Target	<p>We play an active role in ensuring the community can pursue their recreational activities within the Murray River and surrounding waterway safety.</p> <p>Due to the natural compounds in Lake Cullulleraine, increases in cumbungi (tall reed also known as a weed) may become present in the channel which feeds water into the lake. Dense cumbungi can impede water flows. We monitor the channels and the lake itself and on an ad-hoc basis call upon local business Aquatic Weed Control Australia to remove the cumbungi weed from the channel system.</p> <p>Mildura Rural City Council, Millewa-Carwarp Landcare Group and DEECA also play a part in managing the lake for recreational use and supporting the natural ecosystem. This monitoring and collaboration will continue in 2025-26.</p>
4.1.1.003	Provide the number of water storage recreational areas with Recreational Area Management Plans in place.	CP Target	We currently have no water storage recreational areas that require a Recreational Area Management Plan to be in place.

Table 17: Consideration of recreational values in business operations

Engagement processes with community or stakeholders Recreational Values			
Indicator Code	Indicator description	Reporting Period	Narrative
4.2.1.001	Provide evidence of community engagement processes that identified and considered recreational objectives relating to: - waterway health and environmental land - water planning and management.	CP Target	<p>In addition to managing water planning for Lake Cullulleraine, we also provide class C water from our Mildura West Water Treatment Plant and Mildura Wastewater Treatment Plant to irrigate the Mildura Rural City Council-managed aerodrome ovals, which is a local sporting complex with fields used for soccer, cricket, and school-based sports.</p> <p>We likewise work very closely and engage with the Mildura Golf Club who also receive class C water from our treatment plants to irrigate their greens.</p> <p>Lake Hawthorn is also an increasingly popular recreation site that receives LMW's rural drainage water. The residential land around the lake is now heavily populated with new housing estates, and nearby residents use the lake for rowing, kayaking and bushwalking. It is also a significant environmental site for native birds.</p> <p>In 2024-25, funding was received by DEECA to develop the Rural Masterplan 2050 (RM2050), which will continue in 2025-26 and may explore additional water management options to benefit the recreational landscape within our irrigation system.</p>

Table 18: Engagement processes with community of stakeholders

Improvement to information sources Recreational Values			
Indicator Code	Indicator description	Reporting Period	Narrative
4.3.1.001	Provide evidence of actions taken to improve information sources to help recreational users plan their activities.	CP Target and subsequent 4 FYs Forecast	<p>In 2024-25, a 'recreational water bodies' page was created on our website to provide community information on each of the recreational water bodies within our service region. This page includes information on fishing and marine licensing. We will continue to make updates to this webpage to further enhance access to recreational information. We actively promote this webpage on our social media and will continue to in 2025-26.</p> <p>We have made enhancements to our BGA webpage to now include the dates when sampling occurs. Further improvements will be made to provide the community with the most up to date information in 2025-26.</p> <p>We actively share information about BGA on social media during peak BGA season. We will continue to keep the community informed in 2025-26.</p>

Table 19: Improvement to information sources

Collaboration with stakeholders Recreational Values			
Indicator Code	Indicator description	Reporting Period	Narrative
4.4.1.001	Provide evidence of actions taken to collaborate with other organisations and government agencies to explore and progress opportunities to support recreational objectives.	CP Target and subsequent 4 FYs Forecast	<p>In addition to the engagement undertaken to build partnerships and strengthen awareness regarding BGA across our region, our community and school engagement program supports education and awareness initiatives regarding water conservation and the impact good water management has on ensuring our recreational assets thrive in the face of climate change.</p> <p>We collaborate with many local agencies including Mildura Rural City Council, Mallee CMA, Parks Victoria and Western Landcare NSW to provide education to students through a range of environmental and ecosystem-based activities.</p>

Table 20: Collaboration with stakeholders

5.5 LOE 5: RESILIENT AND LIVEABLE CITIES AND TOWNS

Contribute to healthy communities by supporting safe, affordable, high-quality services and resilient, liveable environments, and recovery from emergency events that builds back with improved resilience against future risks and manage water resources in a sustainable manner that enhances environmental outcomes and amenity in urban and rural landscapes.

Integrated Water Management			
Indicator Code	Indicator description	Reporting Period	Narrative
5.1.1.006	Actively participate and promote stakeholder collaboration with other organisations through IWM Forums, to help facilitate IWM.	CP Target and subsequent 4 FYs Forecast	We hosted the June 2024 and participated in the February 2025 IWM Forum Practitioner workshops involving both Forum Practitioners and Forum Executives.
5.1.1.009 (5.1.1.001, 5.1.1.002 and 5.1.1.003 and 5.1.1.004 for 24/25 Indicators)	Progress towards development or review, update and implementation of strategic forum-owned IWM plans, outcomes and/or targets, as applicable to its region.	CP Target and subsequent 4 FYs Forecast	<p>As a Forum Practitioner within the Northern Mallee IWM Forum, we are actively involved with the development and implementation of the Strategic Direction Statement(s) applicable to the Northern Mallee Forum.</p> <p>We have continued implementation of our Urban Water Strategy 2022-2071, via the delivery of the WP5 Capital Works Plan where specific projects aid and progress the delivery of the IWM outcomes for the Northern Mallee IWM region. Our WP5 Capital Works plan includes projects required for both the short and long-term actions to balance water supply and demand in our region and responds to challenges of water quality and population growth.</p> <p>To support the uptake of recycled water by industry and municipalities within the LMW region, the Northern Mallee IWM forum identified potential opportunities for the use of recycled water in lieu of potable water for irrigation purposes at specific locations within the Mildura wastewater network. Under a joint IWM initiative funded by DEECA and in partnership with Mildura Rural City Council, we assessed strategies for supplying sustainable fit-for-purpose recycled water from the Mildura WWTP to the centre median of Deakin Avenue and other public open spaces in Mildura.</p> <p>This initiative with Mildura Rural City Council and other potential reuse customers was an integral aspect to our Urban Water Strategy to assist councils to implement sustainable water strategies by:</p> <ul style="list-style-type: none"> Working with councils on specific projects, particularly reducing the use of potable water on recreational and garden facilities (i.e. recycling/reuse options), and Work with councils to develop opportunities for IWM projects that are suitable for the dry Mallee climate.
5.1.1.010 (5.1.1.001, 5.1.1.002 and 5.1.1.003 and 5.1.1.004 for 24/25 Indicators)	Progress towards the implementation of IWM actions, projects and or other activity with IWM approach achieving shared benefits, as applicable to the region.	CP Target and subsequent 4 FYs Forecast	LMW will continue to collaborate with regional partners to support the implementation of priority IWM projects as identified by the IWM Northern Mallee Forum.

Table 21: Integrated Water Management

Water Use and Efficiency Urban Water Efficiency			
Indicator Code	Indicator description	Reporting Period	Narrative
5.2.1.001 (5.2.1.002, 5.2.1.003 and 5.2.1.004 for 24/25 Indicators)	Projects or initiatives to deliver urban water efficiency, including residential and non-residential, and any projects delivering on water efficiency outcomes in Water for Victoria and relevant urban and sustainable water strategies.	CP Target and subsequent 4 FYs Forecast	<p>We will continue collaboration with regional partners to support the delivery of other Northern Mallee Integrated Water Management (IWM) projects to enhance urban waterway values and support resilient communities.</p> <p>In 2024 we successfully delivered the Sunraysia Water Efficiency Project (SWEP). The objective of the project was to increase the efficiency of water delivery for our customers, remove redundant assets, extend the lifespan of irrigation infrastructure, and support the agricultural productivity of the region.</p> <p>By minimising channel leakage and seepage, and more accurately measuring water use, the generated water savings are to be provided to the Commonwealth Government to enhance environmental outcomes in the Murray-Darling Basin. The additional savings will be shared equally between delivering water for Traditional Owners and improving urban water security in the region.</p> <p>We are scheduled to deliver several projects to deliver sustainable and resilient water services systems, including:</p> <ul style="list-style-type: none"> • Filter media replacements at Kerang, Mildura and Mildura West water treatment plants. • Level of Service Improvement in Red Cliffs Water Distribution System, which includes an urban water pump station and rising main. • Recoating of Mildura West Water Treatment Plant 18ML Treated Water Storage. • Refurbishment of the Kerang Vaughan Street Water Tower Roof. • Refurbishment of the Mildura Tenth Street Water Tower. • Upgrade of selected water mains within the Mildura Water Distribution System to cater for urban growth.

Table 22: Urban water efficiency

Urban Water Consumption			
Indicator Code	Indicator description	Reporting Period	Narrative
5.2.3.044	Please provide commentary on non-revenue water attributed to leakages.	CP Target	We explore savings in non-revenue water through pressure monitoring, improved metering programs and assessments at urban water assets to identify major losses and implementing controls or improvements to reduce the losses. This also includes the Urban Water Mains Renewal Program which proactively prioritises pipeline replacements based on condition and consequence of failure.

Table 23: Urban water consumption

Circular Economy Outcomes							
Indicator Code	Indicator description	Reporting Period	Measure or Narrative				
			2025-26	2026-27	2027-28	2028-29	2029-30
5.3.1.001	Provide commentary on projects or initiatives that adopt circular economy principles and/or contribute towards identified targets in "Recycling Victoria: A New Economy".	CP Target and subsequent 4 FYs Forecast	As an active Forum Practitioner within the IWM Northern Mallee Forum, we are continually working with other practitioners in the identification of potential initiatives that adopt circular economy principles for possible delivery by IWM Practitioner agencies. These initiatives will be similar to that of the a study undertaken to assess the feasibility of provision of 'fit for purpose' recycled water from the Mildura WWTP to a major nature strip (Deakin Avenue) which was completed in 2023-24.				
5.3.1.003 (5.3.1.002 for 24/25 Indicators)	Mass dry weight of biosolids reused.	CP Target and subsequent 4 FYs Forecast	500t	-	-	500t	-
5.3.1.004 (5.3.1.002 for 24/25 Indicators)	Mass dry weight of biosolids produced.	CP Target and subsequent 4 FYs Forecast	700t	700t	700t	700t	700t
5.3.1.005 (5.3.1.002 for 24/25 Indicators)	Mass dry weight of biosolid stored.	CP Target and subsequent 4 FYs Forecast	5929.2t	6629.2t	7329.2t	7529.2t	8229.2t

Table 24: Circular economy outcomes

Environmental Statutory Obligations Environmental Obligations			
Indicator Code	Indicator description	Reporting Period	Narrative
5.4.1.001	Water corporations should manage impacts to water quality in their operations including managing risks posed to water quality in special water supply catchment areas and provide commentary on specific actions that deliver targeted outcomes to satisfy these environmental obligations.	CP Target and subsequent 4 FYs Forecast	<p>We are developing Risk Management and Monitoring Plans to manage the risk posed to the environment from our operations.</p> <p>We have developed Health and Environmental Management Plans to sustainably reuse reclaimed water.</p>
5.4.1.002	Report on performance against the Obligations for Managers of Land or Infrastructure (Water) (OMLI) under the <i>Environment Protection Act 2017</i> and the Statement of Obligations (General) (in relation to sewerage services and connections) under the <i>Water Industry Act 1994</i> (Vic).	CP Target and subsequent 4 FYs Forecast	<p>We have continued to collaborate with Mildura Rural City Council to provide input into the Onsite Wastewater Management Plan.</p>
5.4.1.003	Water corporations are to undertake specific actions that deliver targeted outcomes to satisfy their environmental obligations, consistent with the actions and intended outcomes contained in the: <ul style="list-style-type: none"> a) Regional Catchment Strategy b) Victorian Waterway Management Strategy and Regional Waterway Strategy c) Port Phillip Bay Environmental Management Plan (MW Only); and d) Other environmental activities or general projects that help implement catchment/waterway health objectives. 	CP Target and subsequent 4 FYs Forecast	<p>We conduct environmental discharge of reclaimed water to Foster's Swamp at Kerang.</p> <p>We continue to conduct regular monitoring of BGA in the Murray River and Lake Cullulleraine to inform the community of warnings and advice relating to recreational water use in collaboration with DEECA, Murray Darling Basin Authority and Goulburn Murray Water.</p> <p>We have collaborated with the Mallee CMA and other stakeholders to support the provision of environmental water delivery to Lake Hawthorn and Lake Koorlong.</p> <p>Our collaboration with Mildura Rural City Council on the Roadside Invasive Plants and Animals Working Group will continue into 2025-26.</p>

Table 25: Environmental statutory obligations

Sustainable Water Management Sustainable Water Use			
Indicator Code	Indicator description	Reporting Period	Narrative
5.5.1.002	Provide commentary on projects or initiatives undertaken to deliver improved efficiency of irrigation systems.	CP Target and subsequent 4 FYs Forecast	In 2024 we successfully delivered the SWEP. The objective of the project was to increase the efficiency of water delivery for our customers, remove redundant assets, extend the lifespan of irrigation infrastructure, and support the agricultural productivity of the region.

Table 26: Sustainable water use

Sustainable Water Management Sustainable Water Strategies			
Indicator Code	Indicator description	Reporting Period	Narrative
5.5.2.001 (5.5.1.001 for 24/25 Indicators)	Progress of actions taken in the development and implementation of Sustainable Water Strategies applicable to the region.	CP Target and subsequent 4 FYs Forecast	LMW is undertaking an options assessment for the Swan Hill region which will provide a servicing strategy aiming to build resilience for sustainable practice and delivery of potable water for the next 50 years.

Table 27: Sustainable water strategies

Housing Statement Developer and Council Engagement			
Indicator Code	Indicator description	Reporting Period	Narrative
5.6.1.002	Describe the strategies to be employed to engage with applicable entities, including developers and Councils, before a planning permit referral is received, including to understand potential blocks and/or delays created by processes and systems.	CP Target and subsequent 4 FYs Forecast	<p>Ongoing engagement with industry, key stakeholders and Councils will continue, including quarterly strategic coordination meetings with LGA's. A dedicated engagement program will be undertaken to ensure the continued collaboration with the developer community, including landowners, consultants and contractors.</p> <p>Developers can apply for servicing advice prior to planning approvals in place. LMW will assess the needs of the development, determine its servicing strategy and provide details on the infrastructure sizing and connection location within 28 days of receipt of the application.</p> <p>Development team contact details are published on LMW website and KPI's set to acknowledge enquiries within 2 business days.</p>
5.6.1.003	Describe the strategies employed to engage with applicable entities, including developers and Councils, during the planning permit process.	CP Target and subsequent 4 FYs Forecast	<p>Planning Referrals will be responded to within statutory timeframes. Where additional time is required to assess an application, timely discussions with the Applicant and Council will be held.</p> <p>LMW have implemented new applications for the development industry to request servicing advice and costings, design approval and consent to Statement of Compliance. Timeframes for LMW responses have been implemented.</p>
5.6.1.006	Describe progress and/or any blocks in reporting on current annual report Housing Statement indicators.	CP Target and subsequent 4 FYs Forecast	LMW have provided early performance data to VicWater on development process timelines with targets and performance against targets data. Reporting will be refined as data collection on indicators improves with the implementation of formal processes for information and services requests.

Table 28: Housing statement

5.6 LOE 6: LEADERSHIP, DIVERSITY AND CULTURE

Water corporations reflect the needs of our diverse communities and develop strategies and goals that will increase cultural diversity in the workforce and gender equity in both executive leadership and throughout the organisation.

Diversity and Inclusion			
Indicator Code	Indicator description	Reporting Period	Measure or Narrative
6.1.1.001	Is a Diversity Inclusion Plan/s published on entity website (Y/N).	CP Target	We have the following documents published on our website: <ul style="list-style-type: none"> Gender Equality Framework and Action Plan (GEFAP) Equity, Diversity and Inclusion Strategy
6.1.1.002	Is a Gender Equality Action Plan published on entity website (Y/N).	CP Target	Our Action Plan is incorporated as part of our Gender Equality Framework. Our latest GEAP Progress Report is published on our website.
6.1.1.003	Provide the number of executive officers who identify as women.	CP Target	Three of LMW's executive officers identify as Female.
6.1.1.004	Actions taken to improve participation by Traditional Owners and Aboriginal Victorians in Board committees and/or other organisational committees.	CP Target and subsequent 4 FYs Forecast	In November 2024, we appointed our first Independent Aboriginal Delegate to the Board, Marcus Horwood. Marcus will provide insight into matters relating to government policy, economic development, community relations and general management, as well as provide a connection to Traditional Owners. Marcus is a proud Bangerang man born on the Kulin Nation. During the 2025-26 financial year the Board and Executive Leadership Team will work with Marcus to embed this important independent position into the Board.
6.1.1.005	Percentage of staff participation in the Victorian Public Sector Commission (VPSC) People Matter Survey.	CP Target	We had a participation rate of 88% in the 2024 People Matter Survey and have a target set at 90% for 2025.
6.1.1.006	Number of staff within the water entity who have undertaken a cross-cultural training course facilitated by a suitably experienced provider.	CP Target	During 2024, the People Safety and Wellbeing Team developed a Diversity Portfolio Strategy which involved undertaking detailed analysis of the diversity demographics across the communities we serve to enable LMW to set achievable and meaningful targets to meet our strategic objective to attract and retain a diverse, engaged and high-performing workforce which is reflective of the communities we serve. Through a partnership model, the strategy will enable whole-of-business engagement in achieving improved performance against Diversity, Equity and Inclusion. Two of the five portfolios within the strategy are focused on cultural diversity: <ul style="list-style-type: none"> Culturally and Linguistically Diverse (CALD) First Nations The general manager assigned as the executive sponsor for each portfolio will work with the People, Safety and Wellbeing Team to identify, facilitate and measure the effectiveness of training and awareness programs to improve cultural awareness and the benefits of working with people from diverse backgrounds and cultures. The official launch of the Diversity Portfolio Strategy is 1 September 2025 and during the first 12 months it is expected at least 80% of employees will undertake cross-cultural training. This will most likely be facilitated via e-learning modules developed by experienced personnel.

Diversity and Inclusion			
Indicator Code	Indicator description	Reporting Period	Measure or Narrative
6.1.1.007	Number of Aboriginal staff employed.	CP Target	<p>LMW has three employees who have disclosed they identify as Aboriginal (excluding our Aboriginal delegate on the Board).</p> <p>Through the development of the Diversity Portfolio Strategy, an organisational target of >3% has been set to achieve by 30 June 2028.</p>
6.1.1.008	Summary of progress against LOE Priority Area Leadership, diversity and culture.	CP Target and subsequent 4 Fys Forecast	<p>We continue to focus on building the leadership capability at all levels of our organisation. We recognise the key drivers in achieving maximum growth and potential of our human resources exist in the strength of our leadership and organisational culture.</p> <p>In 2025-26 we will be in the final year of delivery of both our People Strategy and Health, Safety and Wellbeing Strategy, and we will launch our second Gender Equality Action Plan. Inclusion is at the centre of our approach to achieve our strategic objective to attract and retain a diverse, engaged and high-performing workforce which is reflective of the communities we serve.</p> <p>Our Diversity Portfolio Strategy will be the cornerstone of our second Gender Equality Action Plan with clearly defined targets set across five key diversity portfolios and a member of the Executive Leadership Team acting as the executive sponsor of each portfolio.</p> <p>The five portfolios are:</p> <ul style="list-style-type: none"> • Disability • First Nations • CALD • Gender • LGBTQIA+ <p>Following a soft launch of the Diversity Portfolio Strategy between January and August 2025 to support communication and engagement of the strategy, approach and intended outcomes,, the official launch will be 1 September 2025. This date coincides with our Professional Development Planning (PDP) cycle and key targets will be set in PDP's for all Tier 1 (MD Reports) and Tier 2 (GM Reports) Leaders.</p> <p>With a revised PDP process and cycle and Corporate Onboarding and Induction Program delivered, a Staff Recognition Program and new Leadership Charter launched through the People Strategy in 2024-25, our focus will be on the following activities throughout 2025:</p> <ul style="list-style-type: none"> • Embedding the onboarding program and expansion of the program to include team-specific induction materials that will ensure new employees gain a thorough understanding of their role, their team and division. The program aims to build a sense of inclusion and belonging by demonstrating to staff how the work they do interacts with the whole organisation and contributes to its strategic and operational plans.

Diversity and Inclusion			
Indicator Code	Indicator description	Reporting Period	Measure or Narrative
6.1.1.008 (cont.)	Summary of progress against LOE Priority Area Leadership, diversity and culture.	CP Target and subsequent 4 Fys Forecast	<ul style="list-style-type: none"> • Embedding our new Leadership Charter through regular and consistent engagement with leaders and employees to share knowledge and experiences. The Charter aims to foster a culture of learning and understanding our responsibilities as role models within our organisation to create the right conditions to maximise the benefits of diversity. • Coaching and mentoring leaders at all levels of our organisation through effective performance discussions and professional development planning, setting clear and achievable goals and growing our people through effective use of the 70/20/10 Development Model. • During 2025-26, the Health, Safety and Wellbeing Strategy actions will focus on: <ul style="list-style-type: none"> • Improved safety and wellbeing metrics, and improved availability of in-time data to key stakeholders, to allow data-led decision making. • Improved communication processes to share safety alerts, updates and lessons learnt. • Improved training modules to support better reporting practices. • Internal Safety Culture Survey to review and monitor progress. <p>We are ensuring everyone is contributing to the physical and psychological safety of our workplace. In 2025-26 we will take this work to the next level, through:</p> <ul style="list-style-type: none"> • Embedding psychological safety through the development of key policies to set clear expectations from the Board and throughout the organisation. • Proactive and regular management of LMW's Psychosocial Hazards Risk Register. • Embedding lead and lag safety metrics for operations managers, the Executive Leadership Team and the Board, including tailored dashboards for general managers and operations managers to enable data-led decision making. • Continued learning and development both formally and informally to build capability in the identification, investigation and management of physical and psychological safety. • A shift from reactive injury management to proactive injury prevention through the implementation of an Injury Prevention Plan. <p>Between January and June 2026, the People Safety and Wellbeing Team in consultation with the Board and the broader workforce will develop a new People, Safety and Wellbeing Strategy for 2026 – 2028 which will see the current two strategies combined into one.</p>

Table 29: Diversity and inclusion

5.7 LOE 7: PERFORMANCE AND FINANCIAL MANAGEMENT

Improve efficiency and consistency in the reporting of performance while delivering safe and cost-effective water and wastewater services in a financially sustainable manner.

Please note:

- for Additional Financial Performance Indicators please refer to Section 7. Financial Statements

Audited statement of performance							
Financial Performance							
Indicator Code	Indicator description	Reporting Period	Measure or Narrative				
			2025-26	2026-27	2027-28	2028-29	2029-30
7.1.2.001	Financial Performance - Cash Interest Cover.	CP Target and subsequent 4 FYs Forecast	3.3 Times	3.2 Times	3.0 Times	3.7 Times	3.3 Times
7.1.2.006	Financial Performance - Gearing Ratio.	CP Target and subsequent 4 FYs Forecast	7.7%	9.8%	10.9%	13.6%	17.0%
7.1.2.011	Financial Performance - Internal Financing Ratio.	CP Target and subsequent 4 FYs Forecast	34.6%	36.7%	45.8%	40.8%	35.8%
7.1.2.016	Financial Performance - Current Ratio.	CP Target and subsequent 4 FYs Forecast	132.0%	135.7%	137.7%	138.6%	141.5%
7.1.2.021	Financial Performance - Return on Assets.	CP Target and subsequent 4 FYs Forecast	(2.2%)	(2.3%)	(2.1%)	(1.5%)	(1.3%)
7.1.2.026	Financial Performance - Return on Equity.	CP Target and subsequent 4 FYs Forecast	(2.3%)	(2.6%)	(2.5%)	(2.1%)	(2.1%)
7.1.2.031	Financial Performance - EBITDA Margin.	CP Target and subsequent 4 FYs Forecast	21.4%	23.8%	25.6%	32.3%	33.7%

Table 30: Audited statement of performance

Operational performance							
Indicator Code	Indicator description	Reporting Period	Measure or Narrative				
			2025-26	2026-27	2027-28	2028-29	2029-30
7.1.3.001	Water and Sewerage Network Reliability - Water Service – minutes off supply (planned and unplanned).	CP Target	10	10	10	10	10
7.1.3.006	Water and Sewerage Network Reliability - Unplanned water supply interruptions.	CP Target	0%	0%	0%	0%	0%
7.1.3.011	Water and Sewerage Network Reliability - Sewerage Service – sewer blockages.	CP Target	15	15	15	15	15
7.1.3.016	Water and Sewerage Network Reliability - Sewerage Service – sewer spills.	CP Target	3.5	3.5	3.5	3.5	3.5
7.1.3.021	Water and Sewerage Network Reliability - Sewerage Service - containment of sewer spills.	CP Target	97%	97%	97%	97%	97%
7.1.3.026	Water Service - Rural water supply deliveries.	CP Target	98%	98%	98%	98%	98%
7.1.3.031	Water Service - Transfer of Water Shares - applications completed within agreed timeframes.	CP Target	85%	86%	86%	87%	87%
7.1.3.036	Water Service - Unavailability of Domestic and Stock supply.	CP Target	N/A	N/A	N/A	N/A	N/A
7.1.3.041	Water Service - Groundwater supply.	CP Target	N/A	N/A	N/A	N/A	N/A
7.1.3.046	Water Reuse - Recycled water – effluent treatment and reuse.	CP Target	60%	60%	60%	60%	60%

Table 31: Operational performance

5.8 LOE 8: COMPLIANCE AND ENFORCEMENT

Apply a consistent, transparent, and risk-based approach to manage compliance and enforcement of the *Water Act 1989* (Vic).

Apply an effective zero-tolerance approach to unauthorised take			
Unauthorised take			
Indicator Code	Indicator description	Reporting Period	Narrative
8.1.1.001	Provide commentary on actions taken to demonstrate effective zero-tolerance strategies towards unauthorised water take by ensuring no more than 1% of volume of total water take is taken without authorisation at any time.	CP Target and subsequent 4 FYs Forecast	<p>We will continue to monitor usage daily for our telemetered customers and quarterly for our mechanical metered customers.</p> <p>Our current communications follow the trends in water usage throughout the season and are adjusted to reflect times of higher usage and warmer days.</p>
8.1.1.006	Provide commentary on actions taken to demonstrate effective zero-tolerance strategies towards unauthorised water take by ensuring no more than 3% of Allocation Bank Accounts (ABAs) are in negative at any time.	CP Target and subsequent 4 FYs Forecast	As above.

Table 32: Apply an effective zero-tolerance approach to unauthorised take

Demonstration of continuous improvement towards implementation of compliance and enforcement strategies, frameworks and reporting Compliance and Enforcement (C&E) Strategies			
Indicator Code	Indicator description	Reporting Period	Narrative
8.2.1.001	Develop and implement a strategic compliance and enforcement strategy and annual compliance and enforcement work program.	CP Target and subsequent 4 FYs Forecast	<p>Our Board-approved C&E Strategy was developed in 2020 and is under review this year.</p> <p>We will continue to meet our obligations under the Victorian Non-Urban Metering Plan and Murray-Darling Basin Compliance Compact, and we have developed a Metering Action Plan.</p>
8.2.1.002	Implement a structured approach to monitoring and reporting on compliance and enforcement functions against strategic and annual work plans, as appropriate to the level of risk.	CP Target and subsequent 4 FYs Forecast	<p>We continue to follow a clearly identified process which involves assessing non-compliance by utilising a defined risk-based approach. Once non-compliance is identified, we communicate with our customers in accordance with our processes before resorting to enforcement activities such as issuing of Penalty Infringement Notices and, where necessary, prosecuting rural customers through the Magistrates Court in accordance with our powers under the <i>Water Act 1989</i> (Vic).</p> <p>Our rural customers are to be commended for the changes in behaviour and in the management of their businesses to ensure ongoing compliance.</p>
8.2.1.003	Implement metering action plans in line with the Victorian Non-urban Water Metering Policy and the Murray-Darling Basin Compliance Compact metering requirements.	CP Target and subsequent 4 FYs Forecast	<p>LMW report on compliance with the Victorian Non-Urban Metering Policy by submitting the annual Metering Data Request to DEECA each year. In this report we identify the total volume of water take through AS4747 compliant meters, contemporary standard meters and non-compliant meters.</p> <p>Through this we can determine how many non-compliant meters meet the usage criteria to be replaced with AS4747 compliant meters, as well as any other meters requiring telemetry to be installed.</p> <p>Reviewing this each financial year allows us to prioritise meter replacements and other works and ensures continual improvement and compliance with the Victorian Non-Urban Metering Policy and Murray-Darling Basin Compliance Compact requirements.</p>
8.2.1.004	Maintain an up-to-date compliance and enforcement communications plan and deliver this to ensure customers are adequately informed about: x compliance requirements how Victoria applies a zero-tolerance approach to unauthorised take.	CP Target and subsequent 4 FYs Forecast	<p>We will continue to undertake the following:</p> <ul style="list-style-type: none"> Website promotion advising of strict adherence to our C&E Strategy. Direct mail out to our rural customers at season start through our annual Rural Water Guide. Welcome letter for new rural customers to advise of C&E protocols. Proactive focus on customer reporting for any suspicious activity. SMS and social promotion as required, dependent on the season. Annual review of our communications plan.

Table 33: Demonstration of continuous improvement towards implementation of compliance and enforcement strategies, frameworks and reporting

5.9 ADDITIONAL AREAS OF FOCUS

5.9.1 CYBER SECURITY

Cyber	
Indicator description	Narrative
<p>The State Emergency Management Plan – Cyber Security Sub-Plan states that entities should adopt one or, or a combination of two, internationally recognised approaches to reduce their cyber security risk:</p> <ul style="list-style-type: none"> • Essential Eight Maturity Model provided by the Australian Cyber Security Centre (ACSC); • Cyber Security Framework by the National Institute of Standards and Technology, USA. 	<p>The alignment and integration of our cybersecurity governance with best practice is an identified priority following the implementation of a new operating model that sees the cybersecurity function integrated alongside enterprise risk, emergency management and business continuity as a part of our Risk and Resilience team. This focus ensures that our ability to react and respond to cybersecurity incidences continues to mature and provides a more holistic risk-based approach rather than a technology focused one.</p>
<p>Demonstrate progress and an ongoing commitment to integrating cyber risk management capacity, capability, process and system improvements into planning and decision making across the business. This includes activities and actions that will reduce the business exposure to cyber-attack, minimise the impacts of service disruption to customers, and restore services promptly following an attack.</p>	<p>In addition to ensuring that cybersecurity is integrated into our risk and emergency management planning, the new operating model also enables cybersecurity to be monitored more closely through a risk lens to ensure that the ability to develop our maturity and invest in the appropriate systems remains a priority. In 2025-26, a review of all risk and emergency governance documentation will be undertaken to ensure that our business continuity and disaster recovery approaches are current. This will be supported with an implementation phase to ensure that these are tested, communicated and understood across the organisation. We also continue to work towards becoming compliant with Essential Eight Maturity Level 1 standards.</p>

Table 34: Cyber security

5.9.2 CUSTOMER PROTECTION, INCLUDING PREVENTION OF HARM FROM FAMILY VIOLENCE

Customer protection, including prevention of harm from family violence	
Indicator description	Narrative
<p>Activities and actions identified within the Victorian Data Security Framework, including plans to improve the information security and maturity of the business, and protect customer information from loss or exploitation by employees, contractors or malicious third parties. Also, plans in place for response to a data breach that has, or had potential to compromise customer information.</p>	<p>LMW has introduced multiple security enhancements to reduce the risk of information loss and privacy breaches including tighter access controls of sensitive information, upgrades of core systems to allow stronger encryption of data at rest, multifactor authentication, and single sign on for all new applications and several older legacy systems. In addition, further initiatives to increase awareness across the organisation and ensure customer-facing staff are appropriately trained will be implemented over the 2025-26 period. In addition, an annual training package will be rolled out to staff on an ongoing basis and a detailed onboarding package outlining our staff's role and responsibility in appropriate privacy handling as an LMW employee.</p> <p>Throughout the 2025-26 period, LMW will roll out a new, modern CRM and billing system with enhanced security, multi-factor authentication for customer self-service access and training for customer-facing staff with a focus on protecting vulnerable customers. LMW also plans to review family violence and privacy processes to ensure best practice is achieved.</p>
<p>Work collaboratively with DEECA on family violence governance guidelines and consider development of Key Performance Indicators.</p>	<p>We work collaboratively with the ESC and water sector more broadly on the development and implementation of family violence guidelines and services that best support our customers. Our strong relationship with DEECA will extend to the development of these new requirements regarding governance guidelines and key performance indicators for future reporting.</p>

Table 35: Customer protection, including prevention of harm from family violence

6. OUR FINANCIAL PERFORMANCE

Delivering safe and cost-effective water and wastewater services in a financially sustainable manner is crucial and our financial performance is key to achieving this. The following section provides an overview of our future intentions in alignment with the Minister's LOE and associated guidelines.

6.1 PRICING

The structures for urban and rural pricing are forecast to remain unchanged for the Corporate Plan period 2025-26 to 2029-30 (subject to changes that may be proposed under Water Plan 6) with LMW using the postage stamp pricing method for urban pricing (where all urban townships have common pricing), and the location pricing method for rural pricing.

6.1.1 URBAN

Urban pricing is regulated by the ESC who completed its review of our Urban Pricing Submission for the 2023-24 to 2027-28 period and released a final determination in June 2023. The Corporate Plan 2025-26 urban pricing continues to follow this path. The 2025-26 prices comprise regulated price elements (Table 36) to minimise the risk of inflating forecast revenue.

Urban pricing for WP5 includes a 0.60% real price path, adjusted annually for the March quarter average cost of debt and CPI for the year. After applying an estimated 0.30% cost of debt reduction and an estimated CPI of 1.80%, urban services will see an increase of 2.10% in 2025-26 for urban reference and non-residential customers. The annual bill impact of this change for urban reference customer is presented in the table below:

Urban Service	2024-25	2025-26	\$ Change	% Change
Water Service Charge	\$241.76	\$246.84	\$5.08	
Water Usage (480kL)	\$329.43	\$336.33	\$6.90	
Sewerage Service Charge	\$570.80	\$582.80	\$12.00	
Total Reference Customer Owner Occupier Bill	\$1,141.99	\$1,165.97	\$23.98	2.10%
Tenant Occupier	2024-25	2025-26	\$ Change	% Change
Total Reference Customer Tenant Occupier Bill	\$329.43	\$336.33	\$6.90	2.10%
Non-Residential	2024-25	2025-26	\$ Change	% Change
Water Service Charge	\$241.76	\$246.84	\$5.08	
Water Usage (3ML)	\$2,866.50	\$2,926.50	\$60.00	
Sewerage Service Charge	\$570.80	\$582.80	\$12.00	
Total Non-Residential Bill	\$3,679.06	\$3,756.14	\$77.08	2.10%

Table 36: Annual bill impact of this change for urban reference and non-residential customers

6.1.2 RURAL

The tariff structures of all rural districts remain unchanged for the Corporate Plan period 2025-26 to 2029-30. We utilise the location pricing method to set prices for rural services and each district has its own tariffs. Prices are calculated for each district based on forecast demand of volumetric water deliveries, growth, planned operations and maintenance expenditure and capital investment. In determining the tariff price requirements, costs that are incurred by an individual district are directly attributed to that service area.

The revenue raised by the rural business for regulated services is capped, with LMW's Pricing Submission WP5 for 2023-24 to 2027-28, approved by the ESC in its June 2023 final determination. The Corporate Plan 2025-26 rural pricing, for each district, continues to follow this path. Rural pricing has been adjusted from the rural component of WP5 to allow for an estimated CPI of 1.80%, along with an adjustment to the

Mildura, Merbein, Red Cliffs and Robinvale district tariffs relating to the recovery of lower revenue in 2023-24. No adjustment has been made in the 2025-26 budget for the potential impact of the rural buyback scheme.

The annual bill impact of the changes for rural reference customers is presented in the table below:

Rural District	2024-25	2025-26	\$ Change	% Change
Mildura (100ML)	\$16,654.61	\$16,893.29	\$238.68	1.43%
Mildura HP (100ML)	\$23,788.93	\$23,161.77	(\$627.16)	-2.64%
Merbein (100ML)	\$13,416.37	\$14,042.09	\$625.72	4.66%
Red Cliffs (100ML)	\$13,670.53	\$13,971.45	\$300.92	2.20%
Robinvale (100ML)	\$23,066.13	\$22,408.97	(\$657.16)	-2.85%
Private Diverters (1,000ML)	\$13,144.57	\$13,054.57	(\$90.00)	-0.68%
Millewa Water Works - Rural (4,300kL)	\$8,569.65	\$8,374.64	(\$195.01)	-2.28%
Millewa - Urban (400kL)	\$1,032.79	\$1,061.74	\$28.95	2.80%
Yelta Water Works (3ML)	\$1,850.32	\$1,848.11	(\$2.21)	-0.12%

Table 37: Annual bill impact of this change for rural reference customers

6.2 OPERATING, MAINTENANCE AND ADMINISTRATION EXPENDITURE

The 2025-26 Financial Year is year three of WP5 and we are committed to the delivery of the plan and its objectives.

The total LMW Corporate Plan 2025-26 operating expenditure budget has increased on the 2024-25 forecast by \$3.4m (3.0%), mainly due to higher:

- maintenance and administration labour costs of \$2.7m, largely attributable to the full year impact of vacant positions being filled during 2024-25 and salary escalation.
- depreciation of \$0.9m, associated with new capital additions.
- finance expenses of \$0.8m, due to additional net borrowings of \$12.3m required to fund a portion of the capital works program.
- electricity costs of \$0.6m, attributable to energy price increases and additional electricity usage at water pumping stations to meet customer demand.
- software licence costs of \$0.6m, largely arising from the delivery of Technology Uplift Program (TUP) related projects partially offset by lower SWEP operational costs of \$2.1m, associated with the completion of the decommissioning of the small meter outlet program of work in 2024-25.

Our planned 2025-26 operating expenditure for both the urban and rural segments deviates from the WP5 allowance for the year, primarily due to:

- a difference in the statutory and regulatory treatment of business transformation costs, which are capitalised for regulatory purposes.
- higher electricity costs attributable to significant increases in energy prices during 2024-25, with further increases in 2025-26.
- additional employees, compared to the WP5 determination, required to deliver services to our customers.

The following sections provide an overview of the planned urban and rural operating expenditure for 2025-26.

6.2.1 URBAN

The 2025-26 urban operating expenditure budget, including depreciation and interest expenses, is an increase of \$4.0m (6.5%) against the 2024-25 urban forecast.

Table 40 below sets out the 2024-25 urban forecast and proposed urban total operating expenditure for each year of the Corporate Plan period, across each water and wastewater service category. The table separates out the costs that are not controllable by LMW (GMW bulk water charges and the environmental levy contribution). The total forecast operating expenditure for the Corporate Plan period is also provided.

Urban Cost Category (\$m)	Current Period	Corporate Plan 5 Year Period					
	Forecast 2024-25	Budget 2025-26	Planned 2026-27	Planned 2027-28	Planned 2028-29	Planned 2029-30	TOTAL \$
Water	35.27	37.99	39.69	40.40	43.07	45.77	206.83
Wastewater	24.23	25.56	26.38	26.98	28.46	29.29	136.68
External bulk water charges and water allocation purchases	0.74	0.70	0.71	0.73	0.74	0.76	3.64
Environmental contribution	1.78	1.78	1.78	1.78	1.82	1.82	8.98
Total Expenditure	62.02	66.03	68.56	69.89	74.09	77.64	356.13

Table 38: Urban forecast, budget, and planned operating expenditure 2024-25 to 2029-30

6.2.2 RURAL

The 2025-26 rural operating expenditure budget, including depreciation and interest expenses, represents a decrease of \$0.6m (1.2%) against the 2024-25 rural forecast. The reduction is primarily attributable to the completion of the decommissioning of the small meter outlet SWEP program of work in 2024-25.

The table below sets out the 2024-25 rural forecast and proposed total operating expenditure for each year of the Corporate Plan period, across each major service category. The total operating expenditure for the period is also provided.

District (\$m)	Current Period	Corporate Plan 5 Year Period					
	Forecast 2024-25	Budget 2025-26	Planned 2026-27	Planned 2027-28	Planned 2028-29	Planned 2029-30	TOTAL \$
Irrigation and drainage	40.34	39.36	42.16	42.72	44.57	45.52	214.37
Domestic and stock districts	3.27	3.30	3.56	3.58	3.73	3.78	17.96
Surface water diversions	2.84	3.14	3.29	3.27	3.40	3.46	16.56
External bulk water charges and water allocation purchases	3.23	3.28	3.35	3.42	3.50	3.58	17.13
Environmental contribution	0.46	0.46	0.46	0.46	0.48	0.48	2.34
Total Expenditure	50.14	49.54	52.82	53.45	55.68	56.82	268.36

Table 39: Rural forecast, budget and planned operating expenditure 2024-25 to 2029-30

6.3 CAPITAL EXPENDITURE

The development of our WP5 capital expenditure program followed a planned process to build a prudent and efficient program to meet the agreed customer outcomes and associated performance targets, current and new government obligations and commitments, and/or to manage risk to the business. These underlying principles have been used to establish the 2025-26 budget and forward capital expenditure year plans.

We have also embedded the Ministerial Directions for Public Construction Procurement, with a supporting LMW Procurement Framework implemented. This process has been used for identifying, planning, acquiring, and sustaining the goods, services and works necessary to enable the organisation to achieve its goals and identify efficiencies for customer value. LMW continues to mature within the Asset Management Accountability Framework, working towards best practice in asset management and ensuring the full value of assets in service delivery objectives is realised.

6.3.1 URBAN

The urban capital works budget for 2025-26 is centred on delivering the agreed service level outcomes as outlined in WP5. Total proposed urban capital expenditure for the Corporate Plan period across each service category is set out in Table 40 below.

Service Category (\$m)	Current Period	Corporate Plan 5 Year Period					
	Forecast 2024-25	Budget 2025-26	Planned 2026-27	Planned 2027-28	Planned 2028-29	Planned 2029-30	TOTAL \$
Water	8.41	13.63	12.29	6.10	35.82	37.88	105.72
Sewerage	2.70	4.13	6.84	13.36	7.58	9.58	41.49
Corporate	2.43	2.22	3.54	2.18	2.23	2.28	12.45
Recycled water	-	-	-	-	-	-	-
Gifted assets	4.07	2.70	2.70	2.70	2.70	2.70	13.50
Total Capital Urban	17.61	22.68	25.37	24.34	48.33	52.44	173.16

Table 40: Forecast, budget and planned urban capital expenditure 2024-25 to 2029-30

Major urban capex works to be delivered in 2025-26 are outlined in Table 41 below.

Water Projects – Top 10	Budget 2025-26 (\$m)
Red Cliffs Improve Reticulation Pressure for Township – Pump Station	4.350
Red Cliffs Improve Reticulation Pressure for Township - Pipeline	2.300
Mildura Water Treatment Plant Water Balance Tank	0.866
Mildura Pipeline Reticulation Upgrades	0.820
Mildura West Water Treatment Plant Ground Level Storage	0.800
Water Main Replacements	0.720
Mildura Radio Telemetry Water Outstations Renewal	0.539
Merbein TWPS VSD, PLC and Switchboard Upgrade	0.512
Mildura Water Treatment Plan Filter Media Replacement	0.488
Mildura Tenth Street Tower Repairs	0.281

Sewer Projects – Top 10	Budget 2025-26 (\$m)
Robinvale Sewer Pump Station No 6 Renewal	0.938
Mildura Waste Water Treatment Plant Hardstand	0.720
Minor Replacement Program	0.510
Kerang Sewer Pump Station Electrical Works	0.447
House Service Line Replacement Program	0.360
Robinvale Sewer Pump Station No 6 Electrical Upgrade	0.305
Land Development Growth	0.285
Koorlong Wet Weather Storage	0.240
Nichols Point Sewer Pump Station	0.134
Sewer Pump Replacement Program	0.085

Table 41: Major urban 2025-26 capex program

6.3.2 RURAL

The capital works budget for 2025-26 is centred on delivering the agreed service level outcomes outlined in WP5.

Total proposed rural capital expenditure for the Corporate Plan period across each service category is set out in the table below.

District (\$m)	Current Period	Corporate Plan 5 Year Period					
	Forecast 2024-25	Budget 2025-26	Planned 2026-27	Planned 2027-28	Planned 2028-29	Planned 2029-30	TOTAL \$
Irrigation and Drainage	13.95	8.17	10.32	7.96	9.38	15.02	50.85
Domestic and stock	0.12	1.05	0.52	0.08	0.07	1.57	3.29
Surface water diversions	0.49	0.46	0.67	0.68	0.52	0.52	2.85
Corporate	1.01	0.87	1.36	0.92	0.95	0.97	5.07
Total Capital Expenditure	15.57	10.55	12.87	9.64	10.92	18.08	62.06

Table 42: Forecast, budget, and planned rural capital expenditure 2024-25 to 2029-30

Major rural capex works to be delivered in 2025-26 are outlined in the table below:

Irrigation – Top 10	Budget 2025-26 (\$m)
Millewa Radio Telemetry Network Control System Renewal	0.969
Mildura New Pipelines to Supplement Tight Lines	0.669
Red Cliffs Main Pump Station VSD Refurbishment	0.652
Private Divertors Metering Program	0.432
Red Cliffs Radio Telemetry Network Base Station Renewal	0.387
Mildura Irrigation Meter Replacement	0.364
Merbein New Pipelines to Supplement Tight Lines	0.326
Robinvale HP Pump Station SCADA and Control System Renewal	0.315
Red Cliffs Main Pump Station Tank	0.300
Merbein Radio Telemetry Renewal	0.221

Table 43: Major rural 2025-26 capex program

6.4 WATER AVAILABILITY

Water reserves in the Murray-Darling Basin are well positioned and LMW has adopted a forecast of 100% seasonal determination to Murray High Reliability Water Shares (HRWS) in the 2025-26 Corporate Plan. This has been based on the February 2025 Northern Victoria Resource Manager (NVRM) outlook which includes an expectation that the Murray system will be at full (100%) allocation by mid-October under an average year scenario. Latest Bureau of Meteorology forecasts for the May to July 2025 period expect average rainfall, with the chance of unusually warm temperatures more likely than normal, consistent with the global warming trend. This is presented in the table below:

Inflow Conditions	1 July 2025	15 August 2025	15 October 2025	16 February 2026
Wet	74%	100%	100%	100%
Average	50%	66%	100%	100%
Dry	31%	42%	60%	91%
Extreme Dry	26%	32%	35%	39%

Table 44: Murray system outlook for seasonal determination of HRWS

6.5 WATER DEMAND

6.5.1 URBAN

Below average rainfall has seen an increase in 2024-25 water demand from the 2023-24 demand levels. The 2025-26 forecast has been set on historical water demand trends overlayed with the Vic Climate Projections data made available by the published Commonwealth Scientific and Industrial Research Organisation (CSIRO) and Department of Environment Land Water and Planning (DELWP) 2019 regional report for the Mallee.

For 2025-26, water demand is based on a 100% seasonal determination to Murray HRWS, with 100% adopted for the remaining plan 2026-27 through to 2029-30. Our water demand requirements will be met with Permanent Water Saving Rules (PWSR) remaining in place with no forecast staged water restrictions.

The forecast 2025-26 seasonal determination to Murray HRWS is assumed to be 100%, delivering total water availability to LMW of over 32,000ML. This figure is well above the five-year historical urban usage of just over 21,000ML. With no water use restrictions in place, LMW will likely have surplus allocation available to it of approximately 11,000ML.

Residential customer growth equates to approximately 350 new connections per year over the Corporate Plan period, with the average customers' water usage assumed at 480kL per annum. Urban water demand is outlined in the Table 45 below:

Service	Corporate Plan 5 Year Period				
	2025-26 Budget	2026-27 Planned	2027-28 Planned	2028-29 Planned	2029-30 Planned
Residential Demand	15,650,400	15,822,720	15,996,960	16,173,120	16,351,200
Non-residential demand	4,662,950	4,714,243	4,766,099	4,818,526	4,871,530
Total water demand	20,313,350	20,536,963	20,763,059	20,991,646	21,222,730

Table 45: Urban water demand (kL)

6.5.2 RURAL

The 2025-26 forecast has been set on previous historical usage trends which includes drier weather conditions, such as that experienced in 2024-25.

Water usage is based on a Murray HRWS seasonal determination of 100%, with 100% adopted for the remaining plan 2026-27 through to 2029-30.

Rural usage is forecast to be generally in line with the respective WP5 district volumes in 2024-25, apart from Merbein and Red Cliffs which will be below the WP5 volumes, primarily due to lower Sunraysia Modernisation Project 2 (SMP2) customer growth than that assumed in WP5.

Private Diverters do not get billed on water usage and their water usage is controlled by the Annual Use Limit (AUL) as a condition of their Water Use Licence. The current level of AUL held combined with the projected growth aligned to current plantings and future plantings has been used to forecast water usage for the Private Diverters required for their maturing crops.

Rural water demand for pumped irrigation districts and Private Diverters AUL is outlined in the tables below:

Seasonal Determination	100%	100%	100%	100%	100%
Service/District	2025-26 Budget	2026-27 Planned	2027-28 Planned	2028-29 Planned	2029-30 Planned
Pumped Irrigation - Metered Usage					
Mildura	31,425	31,425	31,425	31,425	31,425
Mildura HPS	3,509	3,509	3,509	3,509	3,509
Merbein	18,000	18,180	18,360	18,540	18,730
Red Cliffs	34,000	34,340	34,680	35,030	35,380
Robinvale	19,000	19,000	19,000	19,000	19,000
Total Irrigation	105,934	106,454	106,974	107,504	108,044
Diverters - Annual Use Limit					
Diverters	700,000	703,500	707,000	710,500	714,100

Table 46: Rural water demand (ML) – Private Diverters

Seasonal Determination	100%	100%	100%	100%	100%
Service/District	2025-26 Budget	2026-27 Planned	2027-28 Planned	2028-29 Planned	2029-30 Planned
Stock & Domestic - Metered Usage					
Millewa Urban	68	68	68	68	68
Millewa Rural	796	796	796	796	796
Yelta Water Works District	3	3	3	3	3

Table 47: Rural water demand (ML) – Millewa

6.6 WATER TRADING PLAN

We currently hold an urban bulk entitlement of 30.9GL plus water shares totalling another 3.0GL mostly Murray HRWS, with only 21GL on average used annually. Historically, the surplus allocation is either carried over or traded on the annual allocation market. Income varies each year depending on the market price and water availability which has ranged from \$300K to \$1.7m.

We have undertaken trades of surplus allocation throughout 2024-25, forecasting trading revenue of \$1.7m. We consider strategies to ensure security of supply for customers as the priority before trading any excess allocation, however as the seasonal determination forecast for 2025-26 is 100% for Murray HRWS, we have planned to have excess allocation water available to trade.

We are budgeting for \$1.3m in revenue from trading surplus allocation in 2025-26. This amount will be dependent on market and climactic conditions which will be driven by water user demand.

7. FINANCIAL STATEMENTS

The financial statements in Appendix A have been prepared in accordance with the *Financial Management Act 1994* (Vic), applicable Financial Reporting Directions, Australian Accounting Standards, and other mandatory professional reporting requirements. The financial statements reflect the combination of the previous sections, demand, pricing, operating expenditure and capital expenditure.

LMW continues to show forecast statutory deficits due to the revaluation of assets and associated depreciation calculations versus the ESC PREMO pricing model used to set service prices. An asset revaluation is required to be completed during the 2025-26 budget year, with infrastructure and building asset values forecast to increase by \$100.8m offset, on the balance sheet, with an increase to equity through the Asset Revaluation Reserve of \$70.6m and tax liabilities of \$30.2m.

The net result for 2025-26 is a deficit of \$20.5m after tax which is \$3.4m unfavourable to the 2024-25 forecast net deficit of \$17.1m. The forward Corporate Plan years show higher net losses in 2026-27 to 2027-28, primarily resulting from additional depreciation arising from the asset revaluation to be completed at the end of 2025-26. The next Water Plan period commences from 1 July 2028, with the financials presented in 2028-29 and 2029-30, reflecting high level modelling.

Although LMW's financials show an ongoing deficit, LMW maintains a strong cash flow from operations with the financial indicators, particularly the debt servicing and long-term viability indicators, demonstrating ability to meet interest expenses and service debt while maintaining a strong ability to finance capital works from cash flow and borrowings.

Negative financial indicators will persist in the Return on Assets and Return on Equity with the statutory deficits forecast. See Appendix C for the Performance Report outlining all financial indicator forecast targets.

7.1 DIVIDEND

Our financial statements show deficits after tax over the planning period; therefore no dividend payment has been forecast.

The Corporate Plan does however include efficiency savings payments, to be paid as a Contributed Capital repatriation, as summarised in the table below:

Corporate Plan 5 Year Period					
\$'000	2025-26 Budget	2026-27 Planned	2027-28 Planned	2028-29 Planned	2029-30 Planned
Efficiency Savings Payment	1,500	1,500	1,500	1,500	1,500

Table 48: Efficiency savings

7.2 BORROWINGS

For us to achieve our Capital Works program over the 2025-26 period, we have forecast the requirement to borrow externally, from Treasury Corporation Victoria, an additional \$18.0m while retiring debt of \$5.7m as loan principal falls due or the debt matures.

LMW's Capital Works program in year 2025-26 is \$33.2m which is driving the requirement for the \$18.0m of external funding, including the refinancing of \$4.5m of matured debt, within the budget year. Loans increase from \$80.7m to \$93.0m in 2025-26 and are forecast to increase significantly with the large capital works program planned for the 2026-27 to 2029-30 period. Total loans are forecast to be \$214.5m by the end of the planning period. Net borrowings are presented in the table below:

Corporate Plan 5 Year Period					
\$'000	2025-26 Budget	2026-27 Planned	2027-28 Planned	2028-29 Planned	2029-30 Planned
Proceeds from borrowings	18,000	29,500	24,000	40,500	51,000
Repayment of borrowings	(5,676)	(5,746)	(5,820)	(5,899)	(5,982)
Net Borrowings	12,324	23,754	18,180	34,601	45,018

Table 49: Net borrowings

We monitor our debt in line with its approved Treasury Management Policy. The DTF performs an annual desktop review of the financial position of government business enterprises. This review is performed based on financial statements presented in the prior year's annual report and financial projections as submitted for the next year's budget.

Based on this review, LMW has been assigned a proxy credit rating of 'A' for the 2024-25 year which has been used for the Corporate Plan. The rating is used to calculate the Financial Accommodation Levy for new financial accommodation to be charged to the organisation however currently the desk top rating has not been undertaken by DTF for 2025-26.

7.3 SENSITIVITY ANALYSIS

We have assessed extreme weather events associated with climate change as the biggest risks to its financial performance. Water storages within the Murray catchment area are severely impacted by either too much (floods) local rainfall or too little (drought) rainfall and therefore water storages within the Murray catchments pose the biggest risks.

Due to the current level of water storages and the flooding event in 2022-23, we have undertaken the high rainfall sensitivity analysis. The analysis assumes lower volumetric water usage due to a wet year with high local rainfall in the 2025-26 irrigation season and what impact this would have if the events occurred in consecutive years.

7.4 SCENARIO

Although our urban retail and the rural irrigators would have enough water in their ABA for their water requirements, the need to use the water on outside house gardens or horticulture crops would reduce.

Using the learnings from previous rainfall events and the effect on water usage, demand forecasting decreased Corporate Plan levels for the irrigation seasons for 2025-26. LMW's urban customers have a quarterly quantity limit billed via three price tiers to which reductions have been the greatest in the top price bracket being 25%. The rural irrigators reduce their water usage ranging from a reduction of 52% to 20% across the districts.

Water demand forecasts for the sensitivity analysis are outlined in the tables below as follows:

Service	Corporate Plan 5 Year Period				
	2025-26 Budget	2026-27 Planned	2027-28 Planned	2028-29 Planned	2029-30 Planned
Residential demand	15,650,400	15,822,720	15,996,960	16,173,120	16,351,200
Non-residential demand	4,662,950	4,714,243	4,766,099	4,818,526	4,871,530
Total water demand	20,313,350	20,536,963	20,763,059	20,991,646	21,222,730
<i>Change in Demand High Rainfall</i>					
Residential demand	12,931,698	15,822,720	15,996,960	16,173,120	16,351,200
Non-residential demand	4,048,035	4,714,243	4,766,099	4,818,526	4,871,530
Total water demand	16,979,733	20,536,963	20,763,059	20,991,646	21,222,730

Table 50: Urban demand forecasting of high rainfall in 2025-26

Seasonal Determination	100%	100%	100%	100%	100%
Service/District	2025-26 Budget	2026-27 Planned	2027-28 Planned	2028-29 Planned	2029-30 Planned
Pumped Irrigation - Metered Usage					
Mildura	31,425	31,425	31,425	31,425	31,425
Mildura HPS	3,509	3,509	3,509	3,509	3,509
Merbein	18,000	18,180	18,360	18,540	18,730
Red Cliffs	34,000	34,340	34,680	35,030	35,380
Robinvale	19,000	19,000	19,000	19,000	19,000
Total Irrigation	105,934	106,454	106,974	107,504	108,044
<i>Change in Demand High Rainfall</i>					
Pumped Irrigation - Metered Usage					
Mildura	24,091	31,425	31,425	31,425	31,425
Mildura HPS	1,690	3,509	3,509	3,509	3,509
Merbein	13,921	18,180	18,360	18,540	18,730
Red Cliffs	24,801	34,340	34,680	35,030	35,380
Robinvale	15,194	19,000	19,000	19,000	19,000
Total Irrigation	79,697	106,454	106,974	107,504	108,044

Table 51: Rural demand forecasting of high rainfall in 2025-26

The financial impact from the high rainfall event is mostly borne due to a \$4.69m decrease in revenue through reduced water deliveries. An additional \$0.64m reduction in revenue is expected to occur via reduced urban water allocation trades due to decrease in demand and trading price. We have a high level of fixed costs however electricity has been reduced in line with the reduction in the water demand being \$1.24m. Additional interest expense of \$0.12m has been made for the 2025-26 and \$0.23m has been included each year after, due to an increase in borrowings. The combined effect on the financial results of the reduced water usage is shown in the table below:

\$'000	2025-26	2026-27	2027-28	2028-29	2029-30
Total Revenue	80,434	88,215	90,983	103,156	108,244
Total Expenditure	113,972	121,151	123,098	129,522	134,199
Sensitivity Net Results (before tax)	(33,538)	(32,936)	(32,115)	(26,366)	(25,955)
Corporate Plan Results (before tax)	(29,326)	(32,704)	(31,883)	(26,134)	(25,723)
Result variance (loss) (before tax)	(4,212)	(232)	(232)	(232)	(232)

Table 52: Sensitivity analysis financial results impact of high rainfall event in 2025-26 irrigation season

The financial sensitivity analysis indicates that we would increase our loss before tax by \$4.21m in the 2025-26 financial year and have additional ongoing interest expense of \$0.23m. The reduced water deliveries generate lower volumetric charges by \$4.69m, urban \$2.97m and rural \$1.72m.

We have a large capital works program over the Corporate Plan period. The combination of this program and high rainfall scenario depletes our cash reserves and as such, we would need to borrow an additional \$4.2m in 2025-26, which would further increase borrowings from \$93.0m to \$97.2m. It has been assumed that the \$4.2m would be borrowed at 4.80% plus the Financial Accommodation Levy of 74 basis points.

We would need to absorb the urban revenue reduction due to the price cap form of price control. The loss is mitigated through the tariff structure, assuming approximately 65% fixed charge to 35% variable charge for the urban reference customer service.

The rural form of price control is a revenue cap. Under revenue cap pricing, if the rural business under recovers the revenue requirement as approved by the ESC, it has the option to recoup the revenue losses through increased prices to irrigators for services over the remaining regulated pricing period. The price increases would be significant.

8. APPENDIX A – 2025-26 CONSOLIDATED FINANCIAL STATEMENT

Financial Statements		Prior Year Budget	Current Forecast	Budget	Forecast	Forecast	Forecast	Forecast
Year Ending 30 June		2025 (PY)	2025 (F)	2026 (B)	2027 (F)	2028 (F)	2029 (F)	2030 (F)
Revenues and Expenses (Detailed) (\$'000)								
Revenue From Core Business (As Applicable)								
Bulk Water Fixed Charges to Other Corporations	-	-	-	-	-	-	-	-
Bulk Water Charges	-	-	-	-	-	-	-	-
Urban Water Supply:								
Service / Fixed								
Residential	7,848.00	7,810.00	8,048.00	8,390.00	8,746.00	10,409.00	11,047.00	
Non-residential	1,767.00	1,728.00	1,780.00	1,856.00	1,934.00	2,302.00	2,443.00	
Total Service / Fixed	9,615	9,538	9,828	10,246	10,680	12,711	13,490	
Usage/Volumetric								
Residential	12,394.00	12,422.00	12,758.00	13,299.00	13,863.00	16,498.00	17,509.00	
Non-residential	4,378.00	4,419.00	4,549.00	4,742.00	4,943.00	5,882.00	6,243.00	
Total Usage/Volumetric	16,772	16,841	17,307	18,041	18,806	22,380	23,752	
Urban Sewerage								
Service / Fixed								
Residential	16,319.00	16,122.00	16,650.00	17,356.00	18,093.00	21,531.00	22,851.00	
Non-residential	2,721.00	2,726.00	2,804.00	2,911.00	3,023.00	3,583.00	3,787.00	
Total Service / Fixed	19,040	18,848	19,454	20,267	21,116	25,114	26,638	
Usage/volumetric								
Residential	-	-	-	-	-	-	-	
Non-residential	-	-	-	-	-	-	-	
Total Usage/Volumetric	-	-	-	-	-	-	-	
Trade Waste Revenue by Agreement	424.00	663.00	600.00	615.00	630.00	646.00	662.00	
Trade Waste Usage Revenue	-	-	-	-	-	-	-	
Recycled Water								
Service/Fixed Charges								
Usage / Volumetric Charges	320.00	310.00	315.00	323.00	331.00	339.00	348.00	
Total Recycled Water	320	310	315	323	331	339	348	
Rural Water								
Rural Water Fixed Revenue								
Irrigation	15,145.00	15,262.00	15,521.00	16,013.00	16,520.00	17,847.00	18,505.00	
Stock and Domestic	689.00	698.00	683.00	680.00	677.00	733.00	760.00	
Diversions	5,807.00	5,797.00	5,610.00	5,538.00	5,474.00	5,806.00	6,004.00	
Groundwater	28.00	30.00	33.00	33.00	34.00	35.00	36.00	
Total Rural Water Fixed Revenue	21,669	21,787	21,847	22,264	22,705	24,421	25,305	
Rural Water Usage Revenue								
Irrigation	7,110.00	7,305.00	6,935.00	6,963.00	7,014.00	7,656.00	7,986.00	
Stock and Domestic	193.00	194.00	201.00	255.00	301.00	329.00	339.00	
Diversions	-	-	-	-	-	-	-	
Groundwater	-	-	-	-	-	-	-	
Total Rural Water Usage Revenue	7,303	7,499	7,136	7,218	7,315	7,985	8,325	
Total Revenue From Fees & Charges	75,143	75,486	76,487	78,974	81,583	93,596	98,520	
Operating, Maintenance & Administration (OMA) Expenses								
Operating and Maintenance Expense	45,691	48,387	47,804	45,385	46,666	47,993	49,185	
Administration Expense	14,724.00	14,476.00	16,714.00	18,771.00	17,808.00	18,362.00	18,821.00	
Total OMA Expenses	60,415	62,863	64,518	64,156	64,474	66,355	68,006	
OMA Expenses Breakdown (Total OMA)								
Bulk water Supply	3,986.00	3,971.00	3,978.00	4,060.00	4,146.00	4,242.00	4,340.00	
Headworks	-	-	-	-	-	-	-	
Urban water - Treatment	3,832.00	4,282.00	4,691.00	4,828.00	4,969.00	5,114.00	5,242.00	
Urban water - Reticulation	4,575.00	5,050.00	4,930.00	5,069.00	5,212.00	5,359.00	5,493.00	
Sewerage - Reticulation	1,726.00	2,077.00	2,154.00	2,214.00	2,276.00	2,340.00	2,399.00	
Sewerage - Treatment	2,096.00	2,026.00	2,369.00	2,435.00	2,504.00	2,574.00	2,639.00	
Recycled Water	-	-	-	-	-	-	-	
Surface Water Diversions	156.00	136.00	173.00	178.00	184.00	189.00	194.00	
Gravity Irrigation	7,721.00	8,268.00	8,210.00	8,432.00	8,660.00	8,894.00	9,117.00	
Pumped Irrigation	-	-	-	-	-	-	-	
Stock and Domestic	432.00	502.00	526.00	541.00	556.00	571.00	585.00	
Groundwater	6.00	6.00	7.00	8.00	7.00	8.00	6.00	
Drainage Diversions	580.00	659.00	445.00	458.00	473.00	487.00	499.00	
Other	35,305.00	35,886.00	37,035.00	35,933.00	35,487.00	36,577.00	37,492.00	
Total OMA Expenses (Repeat)	60,415	62,863	64,518	64,156	64,474	66,355	68,006	

Financial Statements

	Prior Year Budget	Current Forecast	Budget	Forecast	Forecast	Forecast	Forecast
Year Ending 30 June	2025 (PY)	2025 (F)	2026 (B)	2027 (F)	2028 (F)	2029 (F)	2030 (F)
Operating Statement (FS1) (\$'000)							
Revenue							
Service Charges	50,748	50,836	51,729	53,392	55,131	62,892	66,095
Usage Charges	24,395	24,650	24,758	25,582	26,452	30,704	32,425
Developer Contribution	1,800.00	2,450.00	1,790.00	1,834.00	1,880.00	1,927.00	1,975.00
Developer Contributions - Gifted Assets	2,700.00	4,070.00	2,700.00	2,700.00	2,700.00	2,700.00	2,700.00
Government Contributions / Grants	307.00	899.00	150.00	-	-	-	-
Investment Interest	225.00	225.00	183.00	150.00	150.00	150.00	150.00
Profit (loss) from Sale of Assets	(87.00)	(87.00)	(87.00)	(90.00)	(92.00)	(94.00)	(96.00)
Other Revenue	4,261.00	5,083.00	4,576.00	4,647.00	4,762.00	4,877.00	4,995.00
Total Revenue	84,349	88,126	85,799	88,215	90,983	103,156	108,244
Expense							
Operating, Maintenance and Administration Expense (OS)	60,415	62,863	64,518	64,156	64,474	66,355	68,006
Environmental Contributions	2,251.00	2,239.00	2,239.00	2,239.00	2,239.00	2,295.00	2,295.00
Interest Expense	3,584.00	3,385.00	4,149.00	5,170.00	6,200.00	7,500.00	9,433.00
FAL	616.00	580.00	678.00	843.00	1,001.00	1,198.00	1,495.00
IT	-	-	-	-	-	-	-
Labour	-	-	-	-	-	-	-
Consultants	-	-	-	-	-	-	-
Depreciation and Amortisation	41,957.00	42,647.00	43,541.00	48,511.00	48,952.00	51,942.00	52,738.00
Other Expense	-	-	-	-	-	-	-
Total Expense	108,823	111,714	115,125	120,919	122,866	129,290	133,967
Earnings Before Tax	(24,474)	(23,588)	(29,326)	(32,704)	(31,883)	(26,134)	(25,723)
Income Tax Expense	(7,342.00)	(6,500.00)	(8,798.00)	(9,811.00)	(9,565.00)	(7,840.00)	(7,717.00)
Net Operating Result	(17,132)	(17,088)	(20,528)	(22,893)	(22,318)	(18,294)	(18,006)
Dividends Expense	-	-	-	-	-	-	-
Transfers (to)/from Reserves	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-
Net Profit (Loss)	(17,132)	(17,088)	(20,528)	(22,893)	(22,318)	(18,294)	(18,006)
Retained Profit (Loss) Carried Forward	(151,140)	(153,358)	(170,446)	(190,974)	(213,867)	(236,185)	(254,479)
Closing Retained Profit (Loss)	(168,272)	(170,446)	(190,974)	(213,867)	(236,185)	(254,479)	(272,485)

Financial Statements

	Prior Year Budget	Current Forecast	Budget	Forecast	Forecast	Forecast	Forecast
Year Ending 30 June	2025 (PY)	2025 (F)	2026 (B)	2027 (F)	2028 (F)	2029 (F)	2030 (F)
Balance Sheet (FS2) (\$'000)							
Current Assets							
Cash on Hand	2,782.00	11,928.00	3,135.00	3,274.00	3,374.00	3,380.00	3,752.00
Receivables	13,629.00	13,630.00	13,701.00	13,836.00	13,971.00	14,106.00	14,241.00
Less Provision for Impaired Receivables	(1,277.00)	(1,288.00)	(1,288.00)	(1,288.00)	(1,288.00)	(1,288.00)	(1,288.00)
Investments	-	-	-	-	-	-	-
Inventories	4,987.00	5,388.00	5,388.00	5,388.00	5,388.00	5,388.00	5,388.00
Prepayments	891.00	891.00	891.00	891.00	891.00	891.00	891.00
Other Current Assets	-	-	-	-	-	-	-
Total Current Assets	21,012	30,549	21,827	22,101	22,336	22,477	22,984
Non-Current Assets							
Infrastructure	1,097,146.00	1,084,995.00	1,118,097.00	1,151,437.00	1,182,326.00	1,236,802.00	1,302,469.00
less Accumulated Depreciation	(78,969.00)	(79,507.00)	(20,537.00)	(65,923.00)	(58,082.00)	(106,606.00)	(155,787.00)
Infrastructure WDV	1,018,177	1,005,488	1,097,560	1,085,514	1,124,244	1,130,196	1,146,682
Land and Buildings	29,422.00	28,911.00	29,526.00	30,277.00	30,705.00	31,144.00	31,593.00
less Accumulated Depreciation	(916.00)	(842.00)	(249.00)	(735.00)	(653.00)	(1,173.00)	(1,697.00)
Land and Buildings WDV	28,506	28,069	29,277	29,542	30,052	29,971	29,896
Plant, Equipment and Motor Vehicles	27,054.00	26,535.00	27,364.00	29,966.00	31,045.00	32,151.00	33,285.00
less Accumulated Depreciation	(19,219.00)	(18,007.00)	(20,212.00)	(22,628.00)	(25,115.00)	(27,677.00)	(30,315.00)
Plant, Equipment and Motor Vehicles WDV	7,835	8,528	7,152	7,338	5,930	4,474	2,970
Capital Works In Progress	20,109.00	20,109.00	17,135.00	17,135.00	17,135.00	17,135.00	17,135.00
Total Property, Plant & Equipment	1,074,627	1,062,194	1,151,124	1,139,529	1,177,361	1,181,776	1,196,683
Non-current Receivables	102.00	90.00	90.00	90.00	90.00	90.00	90.00
Deferred Tax Assets	19,137.00	18,978.00	18,978.00	18,978.00	18,978.00	18,978.00	18,978.00
Non-current Investments	-	-	-	-	-	-	-
Intangible Assets	16,656.00	14,273.00	15,421.00	16,292.00	17,131.00	19,542.00	21,922.00
Other Non-current Assets	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Total Non-Current Assets	1,110,527	1,095,540	1,185,618	1,174,894	1,213,565	1,220,391	1,237,678
Total Assets	1,131,539	1,126,089	1,207,445	1,196,995	1,235,901	1,242,868	1,260,662
Current Liabilities							
Bank Overdraft	-	-	-	-	-	-	-
Current Payables	5,915.00	6,174.00	5,231.00	5,231.00	5,231.00	5,231.00	5,231.00
Short Term Borrowings	9,390.00	8,000.00	8,324.00	8,078.00	8,008.00	8,009.00	8,027.00
Finance Lease Liabilities (PPP) - current liabilities	-	-	-	-	-	-	-
Other Lease Liabilities - current liabilities	-	-	-	-	-	-	-
Employee Benefit Provision	2,980.00	2,980.00	2,980.00	2,980.00	2,980.00	2,980.00	2,980.00
Provision for Dividend	-	-	-	-	-	-	-
Other Current Provisions	-	-	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-	-	-
Total Current Liabilities	18,285	17,154	16,535	16,289	16,219	16,220	16,238
Non-Current Liabilities							
Long Term Borrowings	74,284.00	72,674.00	84,674.00	108,674.00	126,924.00	161,524.00	206,524.00
Long Term Payables	-	-	-	-	-	-	-
Finance Lease Liabilities (PPP) - non current liabilities	-	-	-	-	-	-	-
Other Lease Liabilities - non current liabilities	-	-	-	-	-	-	-
Long Term Employee Benefit Provision	3,836.00	3,836.00	3,836.00	3,836.00	3,836.00	3,836.00	3,836.00
Deferred Tax Liabilities	172,077.00	171,065.00	192,507.00	182,696.00	189,364.00	181,524.00	173,806.00
Other Non-current Liabilities	260.00	137.00	137.00	137.00	137.00	137.00	137.00
Total Non-Current Liabilities	250,457	247,712	281,154	295,343	320,261	347,021	384,303
Total Liabilities	268,742	264,866	297,689	311,632	336,480	363,241	400,541
Net Assets	862,797	861,223	909,756	885,363	899,421	879,627	860,121
Equity							
Government Equity Contributions	668,925.00	669,525.00	668,025.00	666,525.00	665,025.00	663,525.00	662,025.00
Asset Revaluation Reserve	362,144.00	362,144.00	432,705.00	432,705.00	470,581.00	470,581.00	470,581.00
Other Reserves	-	-	-	-	-	-	-
Accumulated Funds (Losses)	(168,272.00)	(170,446.00)	(190,974.00)	(213,867.00)	(236,185.00)	(254,479.00)	(272,485.00)
Total Equity	862,797	861,223	909,756	885,363	899,421	879,627	860,121

Financial Statements

	Prior Year Budget	Current Forecast	Budget	Forecast	Forecast	Forecast	Forecast
Year Ending 30 June	2025 (PY)	2025 (F)	2026 (B)	2027 (F)	2028 (F)	2029 (F)	2030 (F)
Cash Flow Statement (FS3) (\$'000)							
Cash Flows From Operations							
Cash Receipts							
Service and Usage Charges Income	74,721.00	77,300.00	76,017.00	78,528.00	81,128.00	93,401.00	98,300.00
Other Customer Revenue	4,596.00	5,867.00	4,975.00	4,958.00	5,082.00	4,937.00	5,080.00
Receipts from Government	263.00	899.00	150.00	-	-	-	-
Developer Contributions	1,800.00	2,450.00	1,790.00	1,834.00	1,880.00	1,927.00	1,975.00
GST Refunds from ATO	-	-	-	-	-	-	-
Investment (Interest) Income	225.00	225.00	183.00	150.00	150.00	150.00	150.00
Other Cash Receipts	-	-	-	-	-	-	-
Total Cash Receipts from Operations	81,605	86,741	83,115	85,470	88,240	100,415	105,505
Cash Payments							
Payments to Suppliers and Employees	(59,895.00)	(69,296.00)	(65,499.00)	(64,156.00)	(64,474.00)	(66,355.00)	(68,006.00)
Interest and Other Costs of Finance Paid	(4,200.00)	(3,965.00)	(4,827.00)	(6,013.00)	(7,200.00)	(8,698.00)	(10,928.00)
GST paid to the ATO	-	-	-	-	-	-	-
Income Tax Payments	-	-	-	-	-	-	-
Environmental Contributions	(2,251.00)	(2,239.00)	(2,239.00)	(2,239.00)	(2,239.00)	(2,295.00)	(2,295.00)
Other Payments (inc. capital repatriation)	-	-	-	-	-	-	-
Total Cash Payments from Operations	(66,346)	(75,500)	(72,565)	(72,408)	(73,913)	(77,348)	(81,229)
Net Cash Inflow (Outflow) from Operations	15,259	11,241	10,550	13,062	14,327	23,067	24,276
Cash Flows From Investing Activities							
Proceeds/(Payment) from Investments	-	-	-	-	-	-	-
Payments for Infrastructure Assets	(40,329.00)	(29,113.00)	(30,527.00)	(35,546.00)	(31,285.00)	(56,550.00)	(67,819.00)
Payments for Property, Plant & Equipment	-	-	-	-	-	-	-
Payments for Intangible Assets	-	-	-	-	-	-	-
Proceeds from Sale of Assets	360.00	360.00	360.00	369.00	378.00	388.00	397.00
Net Cash Inflow (Outflow) from Investing Activities	(39,969)	(28,753)	(30,167)	(35,177)	(30,907)	(56,162)	(67,422)
Cash Flows From Financing Activities							
Proceeds from Borrowings	18,000.00	14,000.00	18,000.00	29,500.00	24,000.00	40,500.00	51,000.00
Proceeds from Government Equity Contributions	7,500.00	-	-	-	-	-	-
Repayment of Borrowings / Overdraft	(5,110.00)	(5,110.00)	(5,676.00)	(5,746.00)	(5,820.00)	(5,899.00)	(5,982.00)
Payment of Dividends	-	-	-	-	-	-	-
Capital Repatriation Payment	(1,200.00)	(1,500.00)	(1,500.00)	(1,500.00)	(1,500.00)	(1,500.00)	(1,500.00)
Net Cash Inflow (Outflow) from Financing Activities	19,190	7,390	10,824	22,254	16,680	33,101	43,518
Net Increase (Decrease) in Cash	(5,520)	(10,122)	(8,793)	139	100	6	372
Cash Held at the Beginning of the Year	8,302	22,050	11,928	3,135	3,274	3,374	3,380
Cash Held at the End of the Year	2,782	11,928	3,135	3,274	3,374	3,380	3,752
Cash on Hand per Balance Sheet	2,782	11,928	3,135	3,274	3,374	3,380	3,752

Financial Statements

	Prior Year Budget	Current Forecast	Budget	Forecast	Forecast	Forecast	Forecast
Year Ending 30 June	2025 (PY)	2025 (F)	2026 (B)	2027 (F)	2028 (F)	2029 (F)	2030 (F)
Key Performance Indicators							
Financial Performance Indicators							
Short Term Liquidity Indicators							
Current Assets	21,012	30,549	21,827	22,101	22,336	22,477	22,984
Current Liabilities	18,285	17,154	16,535	16,289	16,219	16,220	16,238
Net Working Capital (\$'000)	2,727	13,395	5,292	5,812	6,117	6,257	6,746
Working Capital Ratio (%)	115%	178%	132%	136%	138%	139%	142%
Profitability Indicators							
Earnings Before Net Interest and Tax	(21,115)	(20,428)	(25,360)	(27,684)	(25,833)	(18,784)	(16,440)
EBITDA	21,067	22,444	18,364	20,977	23,269	33,308	36,448
Total Revenue from Fees & Charges	75,143	75,486	76,487	78,974	81,583	93,596	98,520
Total OMA (incl. Env Contribution) Expenses	62,666	65,102	66,757	66,395	66,713	68,650	70,301
Total Income	84,349	88,126	85,799	88,215	90,983	103,156	108,244
Total Assets at Start of Reporting Period	1,136,266	1,149,212	1,126,089	1,207,445	1,196,995	1,235,901	1,242,868
Total Assets at End of Reporting Period	1,131,539	1,126,089	1,207,445	1,196,995	1,235,901	1,242,868	1,260,662
Average Total Assets	1,133,903	1,137,651	1,166,767	1,202,220	1,216,448	1,239,385	1,251,765
Return on Assets (%)	-2%	-2%	-2%	-2%	-2%	-2%	-1%
Gross Operating Margin (%)	17%	14%	13%	16%	18%	27%	29%
Net Profit Margin (%)	-25%	-23%	-30%	-31%	-28%	-18%	-15%
Underlying Result (%)	-29%	-27%	-34%	-37%	-35%	-25%	-24%
Debt Servicing Indicators							
Net Interest Expense (Income)	3,359	3,160	3,966	5,020	6,050	7,350	9,283
Net Operating Cash Before Net Interest and Tax	19,234	14,981	15,194	18,925	21,377	31,615	35,054
Net Interest Payments (Receipts)	3,975	3,740	4,644	5,863	7,050	8,548	10,778
Cash Interest Coverage (Times)	4.8x	4.0x	3.3x	3.2x	3.0x	3.7x	3.3x
Long term Interest Coverage (Times)	(6.3x)	(6.5x)	(6.4x)	(5.5x)	(4.3x)	(2.6x)	(1.8x)
Long Term Viability Indicators							
Total Debt	83,674	80,674	92,998	116,752	134,932	169,533	214,551
Total Equity	862,797	861,223	909,756	885,363	899,421	879,627	860,121
Asset Gearing ratio (%)	7%	7%	8%	10%	11%	14%	17%
Internal Financing Ratio (%)	38%	39%	35%	37%	46%	41%	36%
Debt to Equity (%)	10%	9%	10%	13%	15%	19%	25%
Owners Return Indicator							
Net Operating Result	(17,132)	(17,088)	(20,528)	(22,893)	(22,318)	(18,294)	(18,006)
Total Equity at Start of Reporting Period	873,629	879,811	861,223	909,756	885,363	899,421	879,627
Average Total Equity	868,213	870,517	885,490	897,560	892,392	889,524	869,874
Return on Equity (%)	-2%	-2%	-2%	-3%	-3%	-2%	-2%
Efficiency Indicators							
Total Credit Sales Revenue	76,943	77,936	78,277	80,808	83,463	95,523	100,495
Accounts Receivable at Start of Period	12,322	13,614	12,432	12,503	12,638	12,773	12,908
Accounts Receivable at End of Period	12,454	12,432	12,503	12,638	12,773	12,908	13,043
Average Accounts Receivable	12,388	13,023	12,468	12,571	12,706	12,841	12,976
Net Cash from Operations	15,259	11,241	10,550	13,062	14,327	23,067	24,276
Total Operating Cash Receipts	81,605	86,741	83,115	85,470	88,240	100,415	105,505
Accounts Receivable Turnover (Days)	69.0	71.0	68.0	66.0	65.0	57.0	55.0
Operating Cash Flow Efficiency (%)	19%	13%	13%	15%	16%	23%	23%

9. APPENDIX B – 2025-26 BUDGET QUARTERLY FINANCIAL STATEMENT

Financial Statements					
	Budget 2026	Budget Qtr 1	Budget Qtr 2	Budget Qtr 3	Budget Qtr 4
Revenues and Expenses (Detailed) (\$'000)					
Revenue From Core Business (As Applicable)					
Bulk Water Fixed Charges to Other Corporations	-	-	-	-	-
Bulk Water Charges	-	-	-	-	-
Urban Water Supply:					
Service / Fixed					
Residential	8,048.00	2,012.00	2,012.00	2,012.00	2,012.00
Non-residential	1,780.00	445.00	445.00	445.00	445.00
Total Service / Fixed	9,828	2,457	2,457	2,457	2,457
Usage/Volumetric					
Residential	12,758.00	1,722.00	2,756.00	5,231.00	3,049.00
Non-residential	4,549.00	760.00	1,069.00	1,610.00	1,110.00
Total Usage/Volumetric	17,307	2,482	3,825	6,841	4,159
Urban Sewerage					
Service / Fixed					
Residential	16,650.00	4,163.00	4,162.00	4,163.00	4,162.00
Non-residential	2,804.00	701.00	701.00	701.00	701.00
Total Service / Fixed	19,454	4,864	4,863	4,864	4,863
Usage/volumetric					
Residential	-	-	-	-	-
Non-residential	-	-	-	-	-
Total Usage/volumetric	-	-	-	-	-
Trade Waste Revenue by Agreement	600.00	-	150.00	150.00	300.00
Trade Waste Usage Revenue	-	-	-	-	-
Recycled Water					
Service/Fixed Charges	-	-	-	-	-
Usage / Volumetric Charges	315.00	79.00	79.00	79.00	78.00
Total Recycled Water	315	79	79	79	78
Rural Water					
Rural Water Fixed Revenue					
Irrigation	15,521.00	6,278.00	3,094.00	3,078.00	3,071.00
Stock and Domestic	683.00	-	683.00	-	-
Diversions	5,610.00	1,402.00	1,403.00	1,402.00	1,403.00
Groundwater	33.00	16.00	-	17.00	-
Total Rural Water Fixed Revenue	21,847	7,696	5,180	4,497	4,474
Rural Water Usage Revenue					
Irrigation	6,935.00	-	770.00	3,211.00	2,954.00
Stock and Domestic	201.00	-	-	-	201.00
Diversions	-	-	-	-	-
Groundwater	-	-	-	-	-
Total Rural Water Usage Revenue	7,136	-	770	3,211	3,155
Total Revenue From Fees & Charges	76,487	17,578	17,324	22,099	19,486
Operating, Maintenance & Administration (OMA) Expenses					
Operating and Maintenance Expense	47,804	11,570	15,557	11,036	9,641
Administration Expense	16,714.00	4,627.00	4,272.00	3,760.00	4,055.00
Total OMA Expenses	64,518	16,197	19,829	14,796	13,696
OMA Expenses Breakdown (Total OMA)					
Bulk water Supply	3,978.00	-	3,978.00	-	-
Headworks	-	-	-	-	-
Urban water - Treatment	4,691.00	1,017.00	1,320.00	1,264.00	1,090.00
Urban water - Reticulation	4,930.00	1,107.00	1,273.00	1,320.00	1,230.00
Sewerage - Reticulation	2,154.00	519.00	555.00	530.00	550.00
Sewerage - Treatment	2,369.00	590.00	582.00	563.00	634.00
Recycled Water	-	-	-	-	-
Surface Water Diversions	173.00	41.00	46.00	41.00	45.00
Gravity Irrigation	8,210.00	1,551.00	2,427.00	2,509.00	1,723.00
Pumped Irrigation	-	-	-	-	-
Stock and Domestic	526.00	118.00	139.00	151.00	118.00
Groundwater	7.00	1.00	2.00	2.00	2.00
Drainage Diversions	445.00	104.00	117.00	109.00	115.00
Other	37,035.00	11,149.00	9,390.00	8,307.00	8,189.00
Total OMA Expenses (Repeat)	64,518	16,197	19,829	14,796	13,696

Financial Statements

	Budget 2026	Budget Qtr 1	Budget Qtr 2	Budget Qtr 3	Budget Qtr 4
Operating Statement (FS1) (\$'000)					
Revenue					
Service Charges	51,729	15,017	12,650	11,968	12,094
Usage Charges	24,758	2,561	4,674	10,131	7,392
Developer Contribution	1,790.00	447.00	448.00	447.00	448.00
Developer Contributions - Gifted Assets	2,700.00	675.00	675.00	675.00	675.00
Government Contributions / Grants	150.00				150.00
Investment Interest	183.00	67.00	44.00	30.00	42.00
Profit (loss) from Sale of Assets	(87.00)	(21.00)	(22.00)	(22.00)	(22.00)
Other Revenue	4,576.00	738.00	935.00	1,512.00	1,391.00
Total Revenue	85,799	19,484	19,404	24,741	22,170
Expense					
Operating, Maintenance and Administration Expense (OS)	64,518	16,197	19,829	14,796	13,696
Environmental Contributions	2,239.00	560.00	560.00	560.00	559.00
Interest Expense	4,149.00	292.00	983.00	982.00	1,892.00
FAL	678.00	164.00	163.00	168.00	183.00
IT	-				
Labour	-				
Consultants	-				
Depreciation and Amortisation	43,541.00	10,924.00	10,959.00	10,752.00	10,906.00
Other Expense	-	-	-	-	-
Total Expense	115,125	28,137	32,494	27,258	27,236
Earnings Before Tax	(29,326)	(8,653)	(13,090)	(2,517)	(5,066)
Income Tax Expense	(8,798.00)				(8,798.00)
Net Operating Result	(20,528)	(8,653)	(13,090)	(2,517)	3,732
Dividends Expense	-	-	-	-	-
Transfers (to)/from Reserves	-	-	-	-	-
Other Adjustments	-	-	-	-	-
Net Profit (Loss)	(20,528)	(8,653)	(13,090)	(2,517)	3,732
Retained Profit (Loss) Carried Forward	(170,446)	(170,446)	(179,099)	(192,189)	(194,706)
Closing Retained Profit (Loss)	(190,974)	(179,099)	(192,189)	(194,706)	(190,974)

Financial Statements

	Budget 2026	Budget Qtr 1	Budget Qtr 2	Budget Qtr 3	Budget Qtr 4
Balance Sheet (FS2) (\$'000)					
Current Assets					
Cash on Hand	3,135.00	7,397.00	3,380.00	3,679.00	3,135.00
Receivables	13,701.00	11,525.00	12,868.00	15,885.00	13,701.00
Less Provision for Impaired Receivables	(1,288.00)	(1,288.00)	(1,288.00)	(1,288.00)	(1,288.00)
Investments	-	-	-	-	-
Inventories	5,388.00	5,388.00	5,388.00	5,388.00	5,388.00
Prepayments	891.00	891.00	891.00	891.00	891.00
Other Current Assets	-	-	-	-	-
Total Current Assets	21,827	23,913	21,239	24,555	21,827
Non-Current Assets					
Infrastructure	1,118,097.00	1,101,188.00	1,105,957.00	1,111,106.00	1,118,097.00
less Accumulated Depreciation	(20,537.00)	(89,767.00)	(100,045.00)	(110,114.00)	(20,537.00)
Infrastructure WDV	1,097,560	1,011,421	1,005,912	1,000,992	1,097,560
Land and Buildings	29,526.00	29,065.00	29,218.00	29,372.00	29,526.00
less Accumulated Depreciation	(249.00)	(949.00)	(1,057.00)	(1,164.00)	(249.00)
Land and Buildings WDV	29,277	28,116	28,161	28,208	29,277
Plant, Equipment and Motor Vehicles	27,364.00	26,733.00	26,931.00	27,129.00	27,364.00
less Accumulated Depreciation	(20,212.00)	(18,539.00)	(19,088.00)	(19,640.00)	(20,212.00)
Plant, Equipment and Motor Vehicles WDV	7,152	8,194	7,843	7,489	7,152
Capital Works In Progress	17,135.00	12,907.00	14,100.00	15,387.00	17,135.00
Total Property, Plant & Equipment	1,151,124	1,060,638	1,056,016	1,052,076	1,151,124
Non-current Receivables	90.00	90.00	90.00	90.00	90.00
Deferred Tax Assets	18,978.00	18,978.00	18,978.00	18,978.00	18,978.00
Non-current Investments	-	-	-	-	-
Intangible Assets	15,421.00	14,574.00	14,938.00	15,200.00	15,421.00
Other Non-current Assets	5.00	5.00	5.00	5.00	5.00
Total Non-Current Assets	1,185,618	1,094,285	1,090,027	1,086,349	1,185,618
Total Assets	1,207,445	1,118,198	1,111,266	1,110,904	1,207,445
Current Liabilities					
Bank Overdraft	-	-	-	-	-
Current Payables	5,231.00	7,224.00	7,674.00	8,124.00	5,231.00
Short Term Borrowings	8,324.00	7,712.00	8,421.00	3,125.00	8,324.00
Finance Lease Liabilities (PPP) - current liabilities	-	-	-	-	-
Other Lease Liabilities - current liabilities	-	-	-	-	-
Employee Benefit Provision	2,980.00	2,980.00	2,980.00	2,980.00	2,980.00
Provision for Dividend	-	-	-	-	-
Other Current Provisions	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-
Total Current Liabilities	16,535	17,916	19,075	14,229	16,535
Non-Current Liabilities					
Long Term Borrowings	84,674.00	72,674.00	77,674.00	84,674.00	84,674.00
Long Term Payables	-	-	-	-	-
Finance Lease Liabilities (PPP) - non current liabilities	-	-	-	-	-
Other Lease Liabilities - non current liabilities	-	-	-	-	-
Long Term Employee Benefit Provision	3,836.00	3,836.00	3,836.00	3,836.00	3,836.00
Deferred Tax Liabilities	192,507.00	171,065.00	171,065.00	171,065.00	192,507.00
Other Non-current Liabilities	137.00	137.00	137.00	137.00	137.00
Total Non-Current Liabilities	281,154	247,712	252,712	259,712	281,154
Total Liabilities	297,689	265,628	271,787	273,941	297,689
Net Assets	909,756	852,570	839,479	836,963	909,756
Equity					
Government Equity Contributions	668,025.00	669,525.00	669,525.00	669,525.00	668,025.00
Asset Revaluation Reserve	432,705.00	362,144.00	362,144.00	362,144.00	432,705.00
Other Reserves	-	-	-	-	-
Accumulated Funds (Losses)	(190,974.00)	(179,099.00)	(192,189.00)	(194,706.00)	(190,974.00)
Total Equity	909,756	852,570	839,480	836,963	909,756

Financial Statements

	Budget 2026	Budget Qtr 1	Budget Qtr 2	Budget Qtr 3	Budget Qtr 4
Cash Flow Statement (FS3) (\$'000)					
Cash Flows From Operations					
Cash Receipts					
Service and Usage Charges Income	76,017.00	19,585.00	15,882.00	18,983.00	21,567.00
Other Customer Revenue	4,975.00	837.00	1,035.00	1,611.00	1,492.00
Receipts from Government	150.00	-	-	-	150.00
Developer Contributions	1,790.00	447.00	448.00	447.00	448.00
GST Refunds from ATO	-	-	-	-	-
Investment (Interest) Income	183.00	67.00	44.00	30.00	42.00
Other Cash Receipts	-	-	-	-	-
Total Cash Receipts from Operations	83,115	20,936	17,409	21,071	23,699
Cash Payments					
Payments to Suppliers and Employees	(65,499.00)	(15,148.00)	(19,378.00)	(14,346.00)	(16,627.00)
Interest and Other Costs of Finance Paid	(4,827.00)	(456.00)	(1,146.00)	(1,150.00)	(2,075.00)
GST paid to the ATO	-	-	-	-	-
Income Tax Payments	-	-	-	-	-
Environmental Contributions	(2,239.00)	(560.00)	(560.00)	(560.00)	(559.00)
Other Payments (inc. capital repatriation)	-	-	-	-	-
Total Cash Payments from Operations	(72,565)	(16,164)	(21,084)	(16,056)	(19,261)
Net Cash Inflow (Outflow) from Operations	10,550	4,772	(3,675)	5,015	4,438
Cash Flows From Investing Activities					
Proceeds/(Payment) from Investments	-	-	-	-	-
Payments for Infrastructure Assets	(30,527.00)	(9,105.00)	(6,139.00)	(6,511.00)	(8,772.00)
Payments for Property, Plant & Equipment	-	-	-	-	-
Payments for Intangible Assets	-	-	-	-	-
Proceeds from Sale of Assets	360.00	90.00	90.00	90.00	90.00
Net Cash Inflow (Outflow) from Investing Activities	(30,167)	(9,015)	(6,049)	(6,421)	(8,682)
Cash Flows From Financing Activities					
Proceeds from Borrowings	18,000.00	-	8,500.00	2,000.00	7,500.00
Proceeds from Government Equity Contributions	-	-	-	-	-
Repayment of Borrowings / Overdraft	(5,676.00)	(288.00)	(2,792.00)	(296.00)	(2,300.00)
Payment of Dividends	-	-	-	-	-
Capital Repatriation Payment	(1,500.00)	-	-	-	(1,500.00)
Net Cash Inflow (Outflow) from Financing Activities	10,824	(288)	5,708	1,704	3,700
Net Increase (Decrease) in Cash	(8,793)	(4,531)	(4,016)	298	(544)
Cash Held at the Beginning of the Year	11,928	11,928	7,397	3,380	3,679
Cash Held at the End of the Year	3,135	7,397	3,381	3,678	3,135
Cash on Hand per Balance Sheet	3,135	7,397	3,380	3,679	3,135

Financial Statements

	Budget 2026	Budget Qtr 1	Budget Qtr 2	Budget Qtr 3	Budget Qtr 4
Key Performance Indicators					
Financial Performance Indicators					
Short Term Liquidity Indicators					
Current Assets	21,827	23,913	21,239	24,555	21,827
Current Liabilities	16,535	17,916	19,075	14,229	16,535
Net Working Capital (\$'000)	5,292	5,997	2,164	10,326	5,292
Working Capital Ratio (%)	132%	133%	111%	173%	132%
Profitability Indicators					
Earnings Before Net Interest and Tax	(25,360)	(8,428)	(12,151)	(1,565)	(3,216)
EBITDA	18,364	2,563	(1,148)	9,217	7,732
Total Revenue from Fees & Charges	76,487	17,578	17,324	22,099	19,486
Total OMA (incl. Env Contribution) Expenses	66,757	16,757	20,389	15,356	14,255
Total Income	85,799	19,484	19,404	24,741	22,170
Total Assets at Start of Reporting Period	1,126,089	1,207,445	1,118,198	1,111,266	1,110,904
Total Assets at End of Reporting Period	1,207,445	1,118,198	1,111,266	1,110,904	1,207,445
Average Total Assets	1,166,767	1,162,822	1,114,732	1,111,085	1,159,175
Return on Assets (%)	-2%	-1%	-1%	0%	0%
Gross Operating Margin (%)	13%	5%	-18%	31%	27%
Net Profit Margin (%)	-30%	-43%	-63%	-6%	-15%
Underlying Result (%)	-34%	-44%	-67%	-10%	-23%
Debt Servicing Indicators					
Net Interest Expense (income)	3,966	225	939	952	1,850
Net Operating Cash Before Net Interest and Tax	15,194	5,161	(2,573)	6,135	6,471
Net Interest Payments (Receipts)	4,644	389	1,102	1,120	2,033
Cash Interest Coverage (Times)	3.3x	13.3x	(2.3x)	5.5x	3.2x
Long term Interest Coverage (Times)	(6.4x)	(37.5x)	(12.9x)	(1.6x)	(1.7x)
Long Term Viability Indicators					
Total Debt	92,998	80,386	86,095	87,799	92,998
Total Equity	909,756	852,570	839,480	836,963	909,756
Asset Gearing ratio (%)	8%	7%	8%	8%	8%
Internal Financing Ratio (%)	35%	52%	-60%	77%	51%
Debt to Equity (%)	10%	9%	10%	10%	10%
Owners Return Indicator					
Net Operating Result	(20,528)	(8,653)	(13,090)	(2,517)	3,732
Total Equity at Start of Reporting Period	861,223	861,223	852,570	839,480	836,963
Average Total Equity	885,490	856,897	846,025	838,222	873,360
Return on Equity (%)	-2%	-1%	-2%	0%	0%
Efficiency Indicators					
Total Credit Sales Revenue	78,277	18,025	17,772	22,546	19,934
Accounts Receivable at Start of Period	13,630	12,503	10,327	11,670	14,687
Accounts Receivable at End of Period	12,503	10,327	11,670	14,687	12,503
Average Accounts Receivable	13,067	11,415	10,999	13,179	13,595
Net Cash from Operations	10,550	4,772	(3,675)	5,015	4,438
Total Operating Cash Receipts	83,115	20,936	17,409	21,071	23,699

10. APPENDIX C – 2025-26 PERFORMANCE REPORT

Performance Report					
	Indicator Handbook Code (if applicable)	Key Performance Indicator	UOM	Reference Point	2025-26 Target
Financial Performance Indicators	7.1.2.001	Cash Interest Cover Net operating cash flows before net interest and tax/net interest payments	times	> 2.5 times	3.3
	7.1.2.006	Gearing Ratio Total Debt (including finance leases)/total assets	per cent	< 50%	7.7
	7.1.2.011	Internal Financing Ratio Net operating cash flow less dividends/net capital expenditure	per cent	> 35%	34.6
	7.1.2.016	Current Ratio Current assets/current liabilities (excluding long-term employee provisions and revenue in advance)	per cent	> 0%	132.0
	7.1.2.021	Return on Assets Earnings before net interest and tax/average assets	per cent	> 0%	- 2.2
	7.1.2.026	Return on Equity Net profit after tax/average total equity	per cent	> 0%	- 2.3
	7.1.2.031	EBITDA Margin Earnings Before Interest, Tax, Depreciation and Amortisation/total revenue	per cent	> 0%	21.4
	7.4.2.007	Credit Rating The entity's credit rating received from Treasury Corporation Victoria (TCV) for Financial Accommodation Levy or an independent credit rating	rating		A
Water and Sewerage Network Reliability	7.1.3.001	Water Service - minutes of supply (planned and un planned) how many minutes on average a customer was without water supply during a year	minutes	target as specified in customer service code (minutes)	10.0
	7.1.3.006	Unplanned water supply interruptions percentage of customers receiving (x) unplanned interruptions in the year	per cent	target as specified in customer service code (%)	-
	7.1.3.011	Sewerage Service – sewer blockages number of sewer blockages reported per 100 kilometres of sewer main	number	target as specified in customer service code (number)	15.0
	7.1.3.016	Sewerage Service – sewer spills number of sewer spills reported per 100 kilometres of sewer main	number	target as specified in customer service code (number)	3.5
	7.1.3.021	Sewerage Service - containment of sewer spills Sewer spills from reticulation and branch sewers contained within 5 hours	per cent	target as specified in customer service code (%)	97.0
Water Reuse	7.1.3.046	Recycled water – effluent treatment and reuse proportion of water recycled as a percentage of the volume of effluent produced	per cent		60.0
Water Service	7.1.3.026	Rural water supply deliveries Number of orders delivered / total number of orders	per cent	target as specified in customer service code (%)	98.0
	7.1.3.031	Transfer of Water Shares - applications completed within agreed timeframes Number of applications completed / total number of applications	per cent	target as specified in customer service code (%)	85.0
	7.1.3.036	Unavailability of Domestic and Stock supply Duration that domestic and stock service is unavailable in excess of on-property storage requirement / length of water season	per cent	target as specified in customer service code (%)	NA
	7.1.3.041	Groundwater supply Number of transfers processed within target period / total number of transfers processed	per cent	target as specified in customer service code (%)	NA
Customer Responsiveness	n.a	Water bills – customers on flexible payment plans No. of customers with instalment plans	number		**A target is not required for this indicator
	n.a	Water bills – customers awarded hardship grants No. of customers awarded hardship grants	number		**A target is not required for this indicator
	2.4.1.001	Customer Responsiveness - water quality complaints (Excl. Rural Corporations) No. of complaints per 100 customers	number		0.2
	2.4.1.006	Customer Responsiveness – number of payment issue complaints No. of complaints per 100 customers	number		0.0
	2.4.1.011	Customer Responsiveness - total complaints No. of complaints per 100 customers	number		0.4

Colour Code:	
	Indicator applies to all Water Corporations
	Indicator applies to all Retail Urban Water Corporations
	Indicator applies to all Rural Water Corporations
	Indicator applies to all Retail Urban and Rural Water Corporations

11. APPENDIX D – 2025-26 TARRIF SCHEDULE

TARIFF SCHEDULE (Nominal \$)							
		Actual 2024/25	Budget 2025/26	Planned 2026/27	Planned 2027/28	Planned 2028/29	Planned 2029/30
Tariff and Price Component Summary (Nominal \$)	Unit	Price (1 July 2024)					
URBAN PRICES							
Water - Availability - Domestic & Non-domestic							
20mm	pa	241.76	246.84	254.52	262.44	308.92	324.28
Usage - Domestic							
First Tier	kl	0.5248	0.5358	0.5524	0.5696	0.6704	0.7037
Second Tier	kl	0.9555	0.9755	1.0058	1.0371	1.2208	1.2815
Third Tier	kl	1.2283	1.2541	1.2931	1.3333	1.5694	1.6475
Usage - Non Domestic							
Volumetric	kl	0.9555	0.9755	1.0058	1.0371	1.2208	1.2815
SEWERAGE							
Sewerage - Domestic & Non-domestic							
Availability	pa	570.80	582.80	600.92	619.60	729.32	765.60
RURAL PRICES							
Irrigation							
Mildura Irrigation							
Delivery Share	DS	675.28	682.32	694.16	706.20	767.56	797.28
Delivery Fee	ML	66.09	67.28	68.97	70.69	76.83	79.80
Entitlement Storage Fee Murray Basin HR	ML/Ent	10.28	10.44	10.66	10.89	11.16	11.44
Service Charge	Ass	100.00	100.00	100.00	100.00	100.00	100.00
Drainage Div 1	DS	66.64	68.24	70.36	72.56	78.84	81.88
Mildura High Pressure Irrigation							
Delivery Share	DS	1,051.64	1,026.36	1,008.60	991.16	1,077.28	1,118.96
Delivery Fee	ML	92.27	88.68	85.74	83.32	90.54	94.05
Entitlement Storage Fee Murray Basin HR	ML/Ent	10.28	10.44	10.66	10.89	11.16	11.44
Service Charge	Ass	100.00	100.00	100.00	100.00	100.00	100.00
Drainage Div 1	DS	66.64	68.24	70.36	72.56	78.84	81.88
Merbein Irrigation							
Delivery Share	DS	482.40	522.68	568.16	620.32	674.24	700.32
Delivery Fee	ML	53.03	54.44	55.12	55.81	60.66	63.01
Entitlement Storage Fee Murray Basin HR	ML/Ent	10.28	10.44	10.66	10.89	11.16	11.44
Service Charge	Ass	100.00	100.00	100.00	100.00	100.00	100.00
Drainage Div 1	DS	98.50	97.28	96.76	96.24	104.60	108.64
Red Cliffs Irrigation							
Delivery Share	DS	481.12	507.04	538.04	570.96	620.56	644.56
Delivery Fee	ML	55.67	55.50	55.32	55.45	60.27	62.60
Entitlement Storage Fee Murray Basin HR	ML/Ent	10.28	10.44	10.66	10.89	11.16	11.44
Service Charge	Ass	100.00	100.00	100.00	100.00	100.00	100.00
Drainage Div 1	DS	98.96	98.20	98.12	98.04	106.56	110.68
Robinvale Irrigation							
Delivery Share	DS	982.88	954.36	933.04	912.20	991.48	1,029.84
Delivery Fee	ML	89.77	86.48	83.84	81.72	88.82	92.26
Entitlement Storage Fee Murray Basin HR	ML/Ent	10.28	10.44	10.66	10.89	11.16	11.44
Service Charge	Ass	100.00	100.00	100.00	100.00	100.00	100.00
Drainage Div 1	DS	96.00	95.84	96.36	96.84	105.24	109.32
Domestic & Stock							
Millewa Rural (Irrigation)							
Delivery	kL	0.18	0.19	0.26	0.32	0.35	0.36
Service Charge	Ass	100.00	100.00	100.00	100.00	100.00	100.00
Rural Access - House	Connection	644.79	697.74	760.22	828.31	900.30	935.16
Rural Access - Scrubland	ha	0.60	0.58	0.57	0.56	0.61	0.63
Rural Access - Stock	ha	2.42	2.32	2.25	2.18	2.37	2.46
Millewa Urban (Irrigation)							
Delivery	kL	0.72	0.66	0.61	0.57	0.62	0.64
Service Charge	Ass	100.00	100.00	100.00	100.00	100.00	100.00
Urban Access - No Offtake	Connection	322.40	348.87	380.11	414.16	450.15	467.58
Urban Access - Offtake	Connection	644.79	697.74	760.22	828.31	900.30	935.16
Other Stock & Domestic (Irrigation)							
Connection Charge (Pipeline)	Connection	378.78	385.60	395.24	405.12	440.32	457.36
Delivery (Pipeline)	ML	457.18	454.17	454.27	454.38	493.87	512.99
Service Charge	Ass	100.00	100.00	100.00	100.00	100.00	100.00
Licensing							
Diversions (Irrigation)							
Operational Fee	ML/AUL	2.75	2.50	2.29	2.09	2.27	2.36
Entitlement Storage Fee Murray Basin HR	ML/Ent	10.28	10.44	10.66	10.89	11.16	11.44
Service Charge	Ass	100.00	100.00	100.00	100.00	100.00	100.00
Non Water Users							
Entitlement Storage Fee Murray Basin HR	ML/Ent	10.28	10.44	10.66	10.89	11.16	11.44
Service Charge	Ass	100.00	100.00	100.00	100.00	100.00	100.00

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